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ITAR-TASS Carries Press Review for 9 Aug

LD0908075295 Moscow ITAR-TASS in English 0525 GMT 9 August 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW August 9 (Itar-Tass) — "He is not the first victim and, surely, not the last one: 13 people were killed only last Friday and Saturday, apart from ordinary murders," the IZVESTIYA newspaper writes in its commentary on the death of well-known businessman Ivan Kivelidi.

In the daily's opinion, a statement by premier Viktor Chernomyrdin on the emergency situation and plans to combat crime will scare nobody. The government "acquiesced that it is unable to fight crime", IZVESTIYA notes.

An analytical article in the ROSSIYSKIYE VESTI newspaper headlined "Criminalisation of public and state life demands adequate measures" also deals with the question of crime in the country.

In the newspaper's opinion, orgahised crime has turned from a factor, capable of destabilising the social and political situation, into one of its important components. "Some experts even believe that adoption of some or other decisions, important for the country, depends not only on the legal government but also on the mafia," the daily writes.

ROSSIYSKIYE VESTI notes that, keeping this in mind, it is justifiable to strengthen the state security service, since organised crime is a real threat to Russia's interests.

IZVESTIYA reports that a criminal case against Matvey Burlakov, former commander-in-chief of the Russian Western Army Group in Germany, has been completed. The daily writes that the case, soon to be sent to a court of law, deals with a lorry detained on the border with Poland in the summer of 1993.

It contained furniture, paintings, old china and other antiques carried to Burlakov's country house situated in the Moscow region. In the meantime, Burlakov was sent on his annual leave at the start of August. When he turns 60 on August 19, the top echelon of the Defence Ministry will evidently see him off on pension with honour, IZVESTIYA believes.

The KOMSOMOLSKAYA PRAVDA claims that Chechen combat detachments are again taking control over the republic. A report on this topic describes that Dudayev's rebels openly appear in district centres with arms in hands and hold anti-Russian rallies there. In actual fact, power is being grabbed by Dudayev's supporters even in villages which traditionally opposed the rebel leader. "According to rumours, even the Chechen president is preparing to come to Groznyy from mountain gorges," the daily writes.

KOMSOMOLSKAYA PRAVDA quotes Russian soldiers from a control post, saying: "We do not understand why our boys fought here and what for so many of them fell here".

The KRASNAYA ZVEZDA newspaper notes in an article on the situation in former Yugoslavia that patrons from among leading world powers stand invisibly behind every small country there.

It is very difficult for former Yugoslav republics to find agreement, since leading powers also lack it. In the newspaper's opinion, it is highly improbable that a tripartite meeting between the presidents of Russia, Serbia and Croatia will be a success in influencing the state of affairs radically.

The daily writes in this connection that, "despite an outside difference from demands by Washington, Bonn, London and Paris, Moscow takes a united position with them, a position of wait and see".

It is necessary for all the interested sides to come together and take a single decision which they would translate into life with equal fervour, the newspaper concludes.

Russia has reached world levels at long last, IZVESTIYA declares. Prices for several important industrial goods and foodstuffs hit these levels and even topped them. "Domestic prices exceeded world ones for 48 percent of monitored products" by last July. "Prices are as in Japan, and incomes — as in Nigeria," the newspaper notes.

The ARGUMENTY I FAKTY weekly writes about a new gamble by Sergey Mavrodi, notorious boss of the semi-defunct MMM company. He decided to divide his investors into various categories. Deceived investors who want to receive their money back, will have to: buy more shares from the Mavrodi company, to join his Party of People's Capital, to be active members of this party, etc.

Thus, MMM investors will again get the jitters for the sake of saving their own money, this time the jitters about their own rating. The weekly calls this new adventure by Mavrodi a blackmail and bribing of electors, incidentally without a guarantee of getting money back.

Abkhazia Grants Port Access to Kabardino-Balkaria

MM0808133495 Moscow PRAVDA in Russian 8 Aug 95 p 1

["PRAVDA Own Information Bureau" report: "Ships Large and Small Will Come"]

[FBIS Translated Text] An agreement has been signed between Kabardino-Balkaria and the Republic of Abkhazia within the framework of the Treaty on Friendship and Cooperation previously concluded between the two republics. Under this agreement Abkhazia is to give Kabardino-Balkaria an opportunity to use the sea ports of Sukhumi, Ochamchir, and Pitsunda with a view to registering ships and shipping freight on preferential terms. And, taking into consideration the fact that an air route is opening up in the near future between the two republics' capitals, Kabardino-Balkaria may quite possibly become a maritime republic.

Further Reportage on Possible Serb-Croat Moscow Talks

Tudjman Turns Down Invitation

LD0908110595 Moscow ITAR-TASS World Service in Russian 1052 GMT 9 Aug 95

[FBIS Translated Text] [No dateline as received] — Franjo Tudjman has refused to come to Moscow for talks with Boris Yeltsin and Slobodan Milosevic on settling the Balkan crisis.

No Reason Given For Change of Mind

LD0908131195 Moscow ITAR-TASS World Service in Russian 1239 GMT 9 Aug 95

[By ITAR-TASS correspondent Ivan Ivanov]

[FBIS Translated Excerpt] Belgrade, 9 Aug (ITAR-TASS) — President of Serbia Slobodan Milosevic will go to Moscow at the invitation of the Russian president. On Thursday he will hold talks with Russian President Boris Yeltsin and Foreign Minister Andrey Kozyrev, the ITAR-TASS correspondent has been told by sources close to the chancellery of the Serbian president.

However, it is still not finally known precisely when Milosevic will fly to Moscow — this evening or early on Thursday morning. "The president of Serbia will announce this himself today if he considers it necessary," the above-mentioned sources added. [passage omitted]

In a conversation with Andrey Naryshkin, the ITAR-TASS correspondent in Zagreb, an informed source in Croat diplomatic circles refused to comment on the change of the Croat side's position and stated that the motives and reasons for the decision would become known later.

Milosevic Accepts Offer

LD0808171595 Moscow ITAR-TASS in English 1705 GMT 8 Aug 95

[By Ivan Ivanov]

[FBIS Transcribed Text] BELGRADE, August 8 (Itar-Tass) — President Slobodan Milosevic of Serbia on Tuesday decided to accept Boris Yeltsin's proposal, and will arrive in Moscow on Thursday to conduct talks on the settlement of the Balkan crisis, well informed sources, close to the administration of the Serbian President, told Itar-Tass on Tuesday.

President Franjo Tudjman of Croatia is also expected to take part in the talks.

Yugoslav Minister Comments on Meeting

LD0808164795 Moscow ITAR-TASS World Service in Russian 1551 GMT 8 Aug 95

[by ITAR-TASS correspondent Ivan Ivanov]

[FBIS Translated Excerpt] Belgrade, 8 August (ITAR-TASS) — Yugoslav Foreign Minister Vladislav Jovanovic has hinted that Serbian President Slobodan Milosevic will give a positive answer to Boris Yeltsin's invitation to come to Moscow for talks with Croatian President Franjo Tudjman. [passage omitted]

Jovanovic said that at the future talks the Serbian president will most likely proceed from the need to stop the war, first and foremost. "Second, we are in favour of a settlement of the crisis that will observe equally the rights and legal interests of all the conflicting parties. This is our main desire at all talks," he said.

The minister pointed out that Yugoslavia "holds a high opinion of Russia's positive role in settling the Yugoslav conflict, especially Russia's latest appeals to solve the crisis by exclusively peaceful political means. Proceeding from this, we are regarding Russia's latest initiative — President Boris Yeltsin's proposal to invite Slobodan Milosevic and Franjo Tudjman to talks in Moscow — as a reflection of Russia's constructive and sincere efforts to stop the Croatian aggression, to annul its results, to bring back to the negotiating table relations between the republic of Serb Krajina and Croatia on the one hand, and between Yugoslavia and Croatia on the other," he said.

V. Jovanovic recalled that Yugoslavia's policy in resolving the crisis is aimed exclusively at a political solution of the crisis. "That is why we believe that all contentious issues, including relations between Croatia and the republic of Serb Krajina, must be resolved by peaceful political means."

"In this connection, the fact that Croatia has abused the negotiating process for organizing its armed aggression is a cause for regret," the Yugoslav foreign minister continued. "With the aid of its defenders, primarily the United States and Germany, Croatia attempted to illegally resolve an internationally recognized problem, as the territory of the republic of Serb Krajina was under UN protection. Thus Croatia perpetrated an aggression not only against the Serbs in Krajina but also against the United Nations and against the decisions of the UN Security Council, on the adoption of which it was insisting at the time," V. Jovanovic stressed.

Foreign Ministry Spokesman Comments

LD0808175995 Moscow INTERFAX in English 1552 GMT 8 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 8 (Interfax) — The main subject to be discussed at a proposed meeting in Moscow between the presidents of Serbia and Croatia, Slobodan Milosevic and Franjo Tudjman, is "an extremely grave and acute situation caused by the actions of the Croatian army," a Russian Foreign Ministry spokesman said Tuesday [8 August].

The meeting has been proposed by Russian President Boris Yeltsin.

"The main issue is a humanitarian disaster which may erupt if the refugee problem is not solved," the spokesman, Mikhail Demurin, told a news briefing.

"Such a disaster may have unpredictable consequences and may cause the situation to go out of all control. The parties to the conflict may simply lose self-control."

Demurin took issue with Washington's thesis that the successful Croatian advance on Knin, the capital of Krajina, a unilaterally proclaimed Serb republic on Croatian territory, provided more favorable conditions for achieving settlement.

"Favorable conditions existed before the offensive, but no use was made of them, just as no use has been made of the progress made in the negotiation process between Zagreb and Knin over the past year," the spokesman said.

This progress "is a base which must not be swept aside because of the Croatian offensive." "At the same time, the new developments must undoubtedly and completely be taken into account."

Yeltsin's proposal for a Milosevic-Tudjman meeting should not be seen as "something entirely new," for the Russian president "has repeatedly put forward similar ideas at critical moments during the crisis," Demurin said.

Russia's task is "to use its influence" during the meeting "to create conditions for progress to be made in the negotiations and for reliable and long-term decisions to be found."

Moscow, U.S. Seen Involved in Croatia-Serbia 'Deal'

MK0908094695 Moscow SEGODNYA in Russian 9 Aug 95 p 1

[Report by Vladimir Abarinov: "Russian Initiative: Speculation and Facts"]

[FBIS Translated Text] The initiative of holding a Serb-Croat summit in Moscow, which was put forward by Boris Yeltsin Monday, appears to be least of all a spontaneous gesture. Such statements are made when the consent of the parties in question has in principle already been obtained. We would not venture to assert that Croatian Foreign Minister Mate Granic told Andrey Kozyrev during his recent visit to Moscow about the upcoming military operation. Strictly speaking, there was no need to do so. It was plainly evident for any attentive observer to see that the Croats are intent on resolving the problem of separatism exclusively by force.

Typically, as soon as Yeltsin made his proposal public, the Russian Foreign Ministry adjusted its attitude to the military action in Krajina, speaking through an unidentified high-ranking staffer. According to the diplomat, "the military solution was essentially Zagreb's reaction to the unconstructive stance of the Krajina Serb leadership" under Martic, who "had derailed all attempts at a political settlement of the problem" for three years. Clearly, this revelation did not dawn on the diplomat all of a sudden.

Few people may now remember that a Serb-Croat summit has already taken place in the Russian capital: Milosevic and Tudjman arrived in Moscow in October 1991 at the invitation of Mikhail Gorbachev, but they failed to agree on anything. Most interestingly, Gorbachev's invitation was not groundless either. As early as the beginning of 1991, after Tudjman and Milosevic met at the latter's summer residence of Karageorjevo, speculation mounted about a deal under which the Serbian president allegedly agreed to cede Western Slavonia to Croatia. Indirect proof of the speculation was the deportation of the Serb population from Western Slavonia in December 1991 by units of the Yugoslav People's Army. Sources assert that 30,000 Serbs from Western Slavonia were evacuated within 48 hours — no reasons being given — and settled in Croatian homes deserted after the first ethnic cleansing.

In light of these reports rumors about exchanging Krajina for Eastern Slavonia's reunification with Serbia — something Zagreb and Belgrade have allegedly already agreed upon — look fairly convincing. Yesterday, this theory received an interesting interpretation. A high-ranking Russian diplomat did not refute the rumors in an interview for INTERFAX, but, on the contrary, admitted that "they have long been circulating," saying, however, that "Moscow does not take them seriously." Admittedly, the diplomat said so out of caution; otherwise, what normalization of relations is Yeltsin proposing to agree upon?

The Russian initiative appears to be perfectly familiar to [German Chancellor] Kohl, with whom Yeltsin discussed the problem on the phone. As for the Americans, this time they have no reasons to be jealous. A few days before the start of the Krajina operation, Peter Galbraith, U.S. ambassador to Croatia, met with Krajina Premier Milan Babic and later with Tudjman in Zagreb, after which he said that Babic is ready to hold talks on Krajina's reintegration into Croatia. Moreover, according to Galbraith, Babic agreed to pull his army units from Bihac and immediately reopen a pipeline and railway between Zagreb and Split. The U.S. ambassador would not disclose details of his conversation with Tudjman, however. It is quite evident that the Croatian president rejected the offer. It cannot be ruled out, though, that Galbraith's talks had a "double bottom" — it is not by chance that the ambassador recommended that the Croats "give the Serbs an opportunity to adjust to new conditions." So it is quite likely that the Americans and Yeltsin acted along the same lines.

Russian Diplomat Dismisses Rumors

LD0808153495 Moscow INTERFAX in English 1345 GMT 8 Aug 95

[FBIS Transcribed Excerpt] MOSCOW, Aug 8 (Interfax) — The parameters for possible talks in Moscow between the Serbian and Croatian presidents, Slobodan Milosevic and Franjo Tudjman, are being discussed through diplomatic channels, a senior Russian diplomat told Interfax on Tuesday. [passage omitted]

Commenting on reports carried in some of the media, that there is a kind of deal between Belgrade and Zagreb envisaging the recognition of Croatia by Serbia on condition that some Croatian regions mainly populated by Serbs join the Union Republic of Yugoslavia, the diplomat said: "Similar rumors have been circulating for a long time and Moscow does not take them seriously."

Demurin: Country 'Cannot Tolerate' Catastrophe

LD0808144395 Moscow ITAR-TASS in English 1424 GMT 8 Aug 95

[By Andrey Urban]

[FBIS Transcribed Text] MOSCOW, August 8 (Itar-Tass) — Russia cannot tolerate a humanitarian catastrophe in Croatia and the degeneration of the conflict into a full-scale war, Russian Foreign Ministry spokesman Mikhail Demurin said.

In this connection, Igor Ivanov, Russian First Deputy Foreign Minister, received on Tuesday leaders of diplomatic missions of the member-countries of the Contact Group and of Spain presiding over the European Union, Demurin said. The Russian side expressed most serious concern over the developments in Croatia in connection with the Croatian army's offensive in districts inhabited by Serbs.

In view of the situation, Russian President suggested a meeting to be held shortly in Moscow with Serbian President Milosevic and Croatian President Tudjman, the spokesman said. He also confirmed that Yeltsin had discussed the matter in a telephone conversation with U.S. President Bill Clinton.

The Russian side believes the main task at present is to stop all hostilities immediately, ensure full respect for the rights of the Serbian population and the excess to it for international humanitarian organisations and to put a stop to all attacks on U.N. personnel.

It is also necessary to take specific steps aimed at a political settlement of the conflict in the territory of former Yugoslavia. Yeltsin express the hope that all states of the contact group join Russia's efforts to prevent deterioration.

"Russia has always urged the conflicting sides for a peaceful dialogue which would make it possible to avoid unpredictable consequences and present the suffering of peaceful population resulting from the Croatian army's offensive," Demurin said. "Regrettably, the basis for a political settlement has not been used. This does not mean, however, that it should be discarded in this situation."

Asked about specific contents of the meeting of the Milosevic and Tudjman proposed by Moscow, the spokesman said that during the negotiations it is above all necessary to try to resolve the problem of putting a stop to all aggressive actions against refugees.

The further activity of the United Nations that of the international community in the region, and the prevention of hostile actions regarding personnel of international organisations is essential.

Dwelling on the possibility of Moscow's achieving progress regarding Croatia, Demurin said that Russia brings its authority into play and can create the conditions for progress in the negotiations and for finding durable long-term decisions.

Rybkin Criticizes Croatian Military Action

*LD0808141695 Moscow ITAR-TASS in English
1352 GMT 8 Aug 95*

[FBIS Transcribed Text] MOSCOW, August 8 (Itar-Tass) — "The Croatian leadership has not shown the readiness for working out arrangements, made an ultimatum and launched large-scale military operations in the United Nations-protected area of Krajina. The Croatian action has already led to thousands of civilian casualties, emergence of a large number of refugees, destruction of peaceful cities and villages. This cannot but cause indignation and rejection," says a statement of Speaker of the Russian State Duma Ivan Rybkin received by Itar-Tass on Tuesday.

"It is apparent that Zagreb, from the outset, aimed for a power, not a political solution," the speaker noted. "Such actions must be stopped. It is a duty of international organisations, of civilised states and peoples to do their utmost to ensure that the actions of the Croatian leadership meet with a decisive international rebuff."

"The Russian State Duma cannot and will not watch this situation indifferently," the statement said. Rybkin urged the Croatian leadership not to be carried away by the euphoria of "military victories" but to ponder their consequences for peaceful political settlement in the Balkans and for the Croatian people.

Deputy Minister, FRY Envoy Assail Croat Actions

*LD0808193995 Belgrade TANJUG in English
1848 GMT 8 Aug 95*

[FBIS Transcribed Text] Moscow, Aug 8 (TANJUG) — Deputy Russian Foreign Minister Boris Kolokolov received on Tuesday Yugoslav Ambassador to Russia Danilo Markovic who informed him about the aftermath of Croatia's aggression against the republic of Serb Krajina and the tragical situation of more than 200,000 refugees.

Markovic voiced embitterment with the inefficiency of the U.N. Security Council and the U.N. Protection Force (UNPROFOR) which were assigned to protect the civilians.

Kolokolov said that Russia had sent three protests to the United Nations regarding this matter. He said that Croatia's aggresion was impermissible, especially at the time a peaceful settlement had been in the offing.

He added that the further military actions only intensified the sufferings of the population and voiced protest over the Croatian army shooting at columns of refugees.

Kolokolov hoped that the possible meeting between Serbian and Croatian presidents Slobodan Milosevic and Franjo Tudjman in Moscow on Thursday, at Russian President Boris Yeltsin's initiative, would be a great contribution to peace.

FRY Diplomat Cited on Croatian 'Aggression'

MM0808194095 Moscow KOMSOMOLSKAYA PRAVDA in Russian 9 Aug 95 p 7

[Report by Yelena Kalyadina under the "Theme of the Day" rubric including interview with an unnamed representative of the Moscow Embassy of the Federal Republic of Yugoslavia; place and date not given: "Will Yeltsin Bring Calm to Balkans?"]

[FBIS Translated Text] "What more has to happen to force the UN Security Council to put an end to Croatia's aggression against Serbian Krajina, which is fraught with unpredictable consequences?" It was with this desperate question that the representative of the Federal Republic of Yugoslavia [FRY] at the United Nations began a press conference.

The Security Council would probably not like there to be any unpredictable consequences. But still. By its very calmness, the United Nations' reaction to the tragedy in Krajina remains bewildering. The Security Council has, of course, discussed the situation in Serbian Krajina, but it has not made any specific decisions. Likewise, the UN secretary general's report — the "main focus of the Security Council members' discussions" — did not contain the necessary target designations.

The Croatian aggressors are once again concentrating on defenseless old Serbian men, women, and children — in all 200,000 people. Columns of them, which stretch back dozens of kilometers, are once more being brutally bombed. Cases are being recorded of the shooting of Serbian soldiers who have voluntarily surrendered their arms to UN forces. However, the Security Council chairman refused to comment on these reports.

We requested a representative of the FRY Embassy in Moscow to comment on the situation.

[FRY Embassy representative] There is a continuation of the policy of double standards which has been conducted by the international community since the beginning of the crisis.

[KOMSOMOLSKAYA PRAVDA] Yugoslavia demanded that the Security Council be urgently convened to adopt sanctions against Croatia....

[FRY Embassy representative] I do not think that these demands will be carried out as the United States and Germany are openly supporting the aggressors

[Kalyadina interpolation] Their support is not so much open, I might venture to correct our interviewee, as shrewd. Having discussed the situation in the former Yugoslavia on the telephone with the French president, the British prime minister, and the German chancellor, Bill Clinton called on his colleagues to "use the opportunity which has arisen thanks to the successful attack by the troops in Croatia to achieve peace in Bosnia."

[KOMSOMOLSKAYA PRAVDA] But, maybe, it is not only Clinton and his associates who are demonstrating shrewdness, but also the two hostile presidents — Milosevic and Tudjman? After all there have been many rumors about a long-standing secret agreement between them whose purpose is to divide up the "spheres of influence." Maybe, the present outbreak of war foretokens a separate peace in the near future?

[FRY Embassy representative] I think that this is rubbish. We have no such territorial aspirations. There are also no hard facts about the alleged deal.

[KOMSOMOLSKAYA PRAVDA] Can we expect the very worst — the entry into the war of Yugoslavia?

[FRY Embassy representative] Forces exist that would like to draw us into this nightmare. But we are insisting that there only be a peaceful settlement. [end of interview]

As far as the Russian president's peace initiative is concerned, as this issue was being signed to press, Croatia's President Tudjman confirmed his readiness to come to Moscow for talks with Milosevic. What will the Serbian side's response be...?

Krajina Army Informs ITAR-TASS of Croat Army Abuses

LD0808124395 Moscow ITAR-TASS in English 1222 GMT 8 Aug 95

[By Ivan Ivanov]

[FBIS Transcribed Text] BELGRADE August 8 (Itar-Tass) — According to preliminary data, up to 8,000 peaceful Serbs, women, children, old people, were killed or received wounds of various gravity in the past four days as a result of the Croatian aggression against Krajina. Itar-Tass learned this on Tuesday from sources close to the Krajina army command.

Special units for the elimination of "small pockets of resistance" and for removing traces of crimes against peaceful people were formed in the Croatian army before its attack on Krajina, sources said.

Military experts in Belgrade noticed that from the first day of its aggression against Krajina on August 4 Croatia was dealing strong air and shelling strikes, above all on towns and villages of Krajina Serbs, not on their military positions. The purpose was to drive population from cities and towns and later to seize the deserted territories effortlessly.

Despite promises of Zagreb to ensure "safe evacuation of refugees", a large number of peaceful people were shot by Croatian troops when columns of refugees were on their way to the territories under the control of Bosnian Serbs. On Monday, Croatian planes twice bombed refugees near Bosanski Petrovac. Refugees were subjected to shelling by Croatian and Muslim artillery and mortar fire not far from Topusko. Columns of people who were passing along the narrow Posavin corridor in Northern Bosnia to reach the Yugoslav territory also came under fire.

The source said it is surprising that the peacekeeping forces command have not reacted in any way to this unprecedented crime against humanity and that it did not request NATO airforce to protect Serbian refugees from the violence of Croatian and Muslim troops.

All peaceful population, over 200 thousand people, fled to Krajina, according to the latest information. The overwhelming majority of these people are now in towns and villages of the Bosnian Serb Republic. Some 12.5 thousand have already reached the Yugoslav territory.

West's Reaction to Croatian Offensive Derided

MM0808134395 Moscow TRUD in Russian 8 Aug 95 p 1

[Article by Anatoliy Repin under the "Pertinent Comments" rubric: "Double Standards"]

[FBIS Translated Text] The West's reaction to the Croatian operation against the Krajina Serbs has dotted all the "i's" as far as its position on the situation in former Yugoslavia is concerned. If you compare what was previously done in response to the Serbs' actions, the behavior of the United States and their NATO allies has been just the opposite of what was required. The rapid-reaction forces have not reacted. NATO aircraft have not taken off from their base in Italy and the Security Council has confined itself to a formal verbal statement. While it was not enough that Washington, as the Zagreb leadership itself said, knew in advance of Croatia's plans, but it effectively encouraged it to carry out the Krajina operation. The only thing that the Americans urged the Croatians to do was to manifest "restraint" toward the Serbs.

A NEW YORK TIMES correspondent working in Zagreb sarcastically interpreted this diplomatic wording as follows for BBC Radio: "The Croatians were told that they must not kill millions of people, just hundreds." And he added that the Croatian offensive brought a sigh of relief from the United States since Tudjman had taken on the dirty work that the British, French, and Americans would otherwise have had to do.

The West's reaction was not influenced by the fact that peacekeepers from Denmark, Poland, and the Czech Republic died as a result of Croatian Army fire. Had the Serbs been responsible, they probably would have suffered air strikes. In this situation Zagreb "apologized" to those countries. But it "forgot" to apologize to Russia in connection with the injuries sustained by our soldier.

As we can see, the Croats have also copied the double standards employed in the West's approach to events in the Balkans — in their approach to the UN peacekeepers: They shoot some and then apologize, while they just shoot others....

Army Paper Skeptical About Balkan Peace

MM0908091295 Moscow KRASNAYA ZVEZDA in Russian 9 Aug 95 p 3

["Observer's Opinion" by Mikhail Pogorelyy under the general heading: "Will There Be a Large-Scale Balkan War Or Not?"]

[FBIS Translated Text] The radical changes in the strategic situation in Croatia and the former Yugoslavia as a whole over the last few days can only theoretically be considered rapid, never mind unexpected. This train of events has been gestating since the very outset of the Yugoslav tragedy with the collapse of the once unified state and the world community's rash, ill-conceived recognition of the new borders in this region. For three or four years it has been obvious that the existing partition left major ethnic groups like the Bosnian and Croatian Serbs and the Bosnian Muslims unsatisfied.

To be frank, the problem was exacerbated still further and its resolution is currently being impeded by the extremely significant fact that each small regional power, all of which nevertheless harbor big ambitions, has a patron lurking invisibly in the background — one of the truly leading world powers. And until the latter reach agreement it is extremely hard for the former Yugoslav republics to find such consensus. In actual fact a desire to surreptitiously build enough men, equipment, and weapons for a strong-arm "final" solution to all the problems pertaining to the administrative organization of the ethnically heterogeneous states was and still is behind the smoke screen of talks, consultations, and exchanges of opinion.

President Yeltsin's current initiatives — to invite the leaders of Croatia and Serbia to Moscow to discuss the situation in Serb Krajina — are welcomed both by the presidents of these two countries and by most leaders of the world's leading states. But.... The time for such moves already seems to have passed, they should have been made far earlier. Since Croatian President Franjo Tudjman is now in a very strong position: He has taken the necessary steps to restore the state's territorial integrity and eliminate the seat of armed separatists.

A tripartite meeting in Moscow (involving Russia, Croatia, and Serbia) would scarcely be successful — not in terms of the signing of any declarations or in terms of its fruitfulness or real impact on the state of affairs in the former Yugoslavia — because Bosnian representatives for some reason remain out of the picture. Nevertheless it seems that only the comprehensive resolution of the issue of the borders separating all Yugoslavia's ethnic groups and the question of a state system that satisfies all parties can bring peace to the Balkans. Ultimately the Croatian Serbs have now been displaced by government forces and they are flooding into Bosnia — and, evidently, they may just as easily turn their feet and guns back again. A guerrilla war in the wooded mountainous terrain could theoretically go on for years or even decades....

But the greatest uncertainty in the Yugoslav situation stems nonetheless from the stance espoused by the great powers, those who bear historical responsibility (and legal responsibility as enshrined in UN documents) for keeping the peace and maintaining order. It is certainly wrong in this case to speak of the absence of a specific position, citing the "hit-and-miss approach" of Russia's statements, proposals, and initiatives that has become the talk of the town. In principle, despite its outward differences of opinion with the requirements of Washington, Bonn, London, and Paris, Moscow is taking up the same position as them, namely biding its time. The talk in all the above capitals (and many others besides) of human rights and humanitarian considerations is always reminiscent of the political and diplomatic background during the attempts to resolve the Chechen conflict: Act, but do it quickly, do not prolong things, get results, then they can be discussed, approved, and so on — this is what politicians call the political resolution of the conflict. In effect, Western leaders' statements and practical moves boil down to their expectation that everything in the former Yugoslav republics will "disperse" on its own. But, whether we like it or not, this still cannot be achieved by military means. The only real solution may evidently be found not when just three or four sides or restricted contact and other groups, but everyone — literally all the sides with an interest in a settlement — assemble and reach a common solution which suits everyone equally and which can then be implemented with equal zeal. Until that happens there will be no peace in the Balkans and there will constantly be a danger of war, for any length of time.

Yeltsin, Kohl Discuss Prospects For Peace Settlement

LD0908105895 Moscow ITAR-TASS World Service in Russian 1037 GMT 9 Aug 95

[By ITAR-TASS diplomatic correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 9 Aug (ITAR-TASS) — Russian President Boris Yeltsin, in a telephone conversation with FRG Chancellor Helmut Kohl today, discussed the prospects for a settlement to the crisis in the former Yugoslavia in the light of Russia's recent peace initiatives. An ITAR-TASS correspondent learned of this from well-informed sources in the administration of the head of the Russian state.

Kozyrev, Greece's Papoulias Discuss Former Yugoslavia

LD0808193695 Moscow INTERFAX in English 1859 GMT 8 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 8 (Interfax) — The Russian and Greek foreign ministers, Andrey Kozyrev and Karolos Papoulias, agreed Tuesday [7 August] that there was a need for "coordinated international efforts to achieve the earliest possible settlement of the crisis in the former Yugoslavia," according to the Russian Foreign Ministry.

But there can be "only political" efforts, the two ministers, who spoke by telephone, agreed, Russia's Foreign Ministry said in a press release obtained by Interfax.

Kozyrev, now on vacation in the Russian Black Sea resort of Sochi, and Papoulias discussed the situation in the former Yugoslavia caused by a recent advance by the Croatian army on Krajina, a Serb republic unilaterally proclaimed on Croatian territory, the release said.

"Those dramatic developments in the former Yugoslavia have given rise to a tremendous humanitarian problem since thousands of civilians have been forced to leave their homes and become refugees."

Kozyrev and Papoulias "agreed to continue their contacts and meet in Moscow within the next few days," the release said.

Zhirinovskiy Invited To Hold Talks With Karadzic

LD0808163995 Moscow INTERFAX in English 1553 GMT 8 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 8 (Interfax) — Leader of the Russian Liberal-Democratic Party Vladimir Zhirinovskiy will visit Yugoslavia, Bosnia and Croatia at the end of the week, head of the party's analytical center, General Viktor Filatov, told Interfax.

In his words, during a meeting with Vladimir Zhirinovskiy Croat ambassador to Moscow Niko Besmalinovic invited him "to visit Zagreb as a mediator between the warring sides."

Zhirinovskiy visited the embassy on Tuesday morning to pass over a statement from the Liberal-Democratic faction describing the Croat military actions in Serb Krajina as "unrestrained, outrageous and barbaric genocide" and demanding to "stop the murder of brothers and to abandon illegal claims."

In response to the ambassador's proposal Zhirinovskiy agreed "to be a mediator at the level of parliament member-deputy of the State Duma," said Filatov who also attended the meeting.

Zhirinovskiy has also received an invitation from Bosnian Serb leader Radovan Karadzic and negotiations with Serb President Slobodan Milosevic are underway, said Filatov.

During the hour-long conversation between Zhirinovskiy and the ambassador, a picket by the Liberal-Democratic Party youth organization-Sokoly Zhirinovskogo (Zhirinovskiy's Falcons) and Duma deputies was standing near the Croat embassy in Moscow brandishing slogans such as "Stop War in the Balkans" and "Peace to Balkan Peoples."

In an Interfax interview the ambassador confirmed that Zagreb is ready to accept the mediatory efforts of the Liberal-Democratic leader.

"If anyone is able to help settle the conflict, why refuse such an opportunity?" said the ambassador. "As for Vladimir Zhirinovskiy, he is heading a party which has 13% of the seats in the State Duma. In other words, he is quite capable of influencing the Duma."

Besmalinovic praised the proposal of Russian President Boris Yeltsin to hold a meeting between Serb and Croat Presidents Slobodan Milosevic and Franjo Tudjman in Moscow.

"Croatia adheres to peace and has always supported peace initiatives," stressed the ambassador.

Meanwhile, deputy head of the Duma Committee for International Affairs and member of the Liberal-Democratic faction Aleksey Mitrofanov told a news conference in Moscow Tuesday that the aim of Zhirinovskiy's trip to the Balkans is to prevent a split among Bosnian Serbs. "The technical details of the trip are being considered," he said.

In addition to Mitrofanov, the news conference was addressed by major-general in the army of the self-proclaimed Serb Republic Dragan Donzov, who introduced himself as a personal representative of Bosnian Serb leader Radovan Karadzic.

He called on the Russian leadership to take a tougher stand against Croats and render assistance to Serbs in beefing up their military might.

Further on Release of U.S. Army Captain

LD0808163795 Moscow INTERFAX in English 1456 GMT 8 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 8 (Interfax) — U.S. army Captain Jason Lynch, who was detained on August 3 by the Russian Federal Security Service (FSB) was released on the same day, the U.S. embassy to Moscow said Tuesday quoting a spokesman for the Russian Defense Ministry.

Officials in the FSB public relations department had earlier told Interfax that Lynch was detained as he was engaged in gathering visual intelligence near the Krasnoyarsk-26 nuclear center.

The embassy statement says that embassy officials have not contacted Lynch but are trying to do so to hear his story.

The document says that the embassy does not know for sure whether Lynch is still in Russia.

His official capacity is described as instructor of the Geography and Nature Conservation Department in the West Point, New York, Military Academy.

According to the embassy, Lynch had arrived in the area where he was later detained at the invitation of the Biophysics Institute of the Siberian Branch, Russian Academy of Sciences, to work in a joint Russian-American project on the description and forecasting of the man-made radiational contamination of the Yenisei River and the Arctics.

Spokesman on Steps To Return Air Crew From Afghanistan

LD0908090695 Moscow Radiostantsiya Ekho Moskvy in Russian 0800 GMT 9 Aug 95

[FBIS Translated Text] The Russian Foreign Ministry is taking steps to set free the crew of a Russian plane seized in Afghanistan, our radio station was told by Foreign Ministry official spokesman Mikhail Demurin.

We immediately requested that Afghanistan authorities should take urgent steps to release the crew who are Russian citizens and the airplane itself. Taking into account the fact that the nearest Russian diplomatic mission is situated in Islamabad, where we have our embassy, we also asked the Pakistani Foreign Ministry for assistance in getting the crew and the plane released.

Measures are in hand to enable a Russian Embassy representative to go to Kandahar, but this is not so simple, in view of the identities and actions of those who are in control in the region.

The Russian side has also established the necessary contacts with individual Afghan opposition groups to ensure that this matter is resolved or that, at the very least, the trip does actually take place. Talks are continuing.

Let me recall that the incident took place on 3 August. The plane was on a Tirana-Sharjah-Kabul commercial charter flight when it was intercepted and forced, under the threat that arms would be used, to touch down at the Kandahar airfield. This region is controlled by the Taleban opposition group. Sources within the Afghan government say that all crew mamebers are safe and well.

'Repurcussions' of Nuclear Deal With Iran Viewed

NC0908090395 Moscow Voice of Russia World Service in Persian 1500 GMT 8 Aug 95

[Commentary by Aleksey Kondratyev]

[FBIS Translated Text] A delegation from the Russian Federation's Atomic Energy Ministry will visit Iran in late August for discussions on matters concerning the construction of the nuclear power plant at Bushehr. Voice of Russia commentator Aleksey Kondratyev writes:

We recall that discussions on specific cooperation issues in the construction of the Bushehr Power Plant were held in early August during a visit by Reza Amrollahi, Iranian vice president and head of the Iranian Atomic Energy Organization [IAEO] to [word indistinct]. Russian experts have now completed their research on the installations and the semi-completed buildings, and decided that a Russian delegation headed by the deputy minister of atomic energy will continue talks on the power plant's construction. In these talks, the outcome of the Russian experts' investigations (?on construction issues) are to be discussed and [word indistinct] of the expenditures for the construction of the plant, as well as providing the first unit of the power plant with nuclear fuel and its storage after use in the reactor. In short, the implementation of the Russian-Iranian agreement on completing the first unit of the Bushehr Power Plant [words indistinct].

After the implementation of the agreement, the possible repercussions of Russian-Iranian cooperation in all aspects were examined. The problem is that America has disagreed and continues to disagree with the construction of the nuclear power plant in Iran. Washington alleges that Iran is striving to manufacture nuclear arms and that Russia's cooperation in the field of nuclear energy can help Tehran fulfill its plan. However, after their investigations, the Russian experts did not find any reason for concern.

The light-water reactor, which does not manufacture enough military plutonium for manufacturing a nuclear warhead, is to be delivered to Iran. (?Moreover), the used fuel will be (?returned) to Russia under the control of the International Atomic Energy Agency [IAEA]. The head of this international agency has said that the IAEA does not oppose the construction of a Russian nuclear plant in Bushehr port and that it is [word indistinct] to establish its control over the (?said reactor). In addition, the IAEA has also taken into consideration that Iran has signed the nuclear Non-Proliferation Treaty and that this is an additional guarantee for international security.

America's disagreements are [words indistinct]. This issue was also discussed at the Russian-American session — the Gore-Chernomyrdin session — in June and discussions will continue. [Words indistinct] Moscow is observing the agreement that was signed this January.

Political Issues

Yeltsin, Chernomyrdin Resume Tuesday Meetings

LD0808154195 Moscow ITAR-TASS in English 1522 GMT 8 Aug 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, August 8 (ITAR-TASS) — The draft federal budget for 1996 was the central item on the agenda of the Tuesday meeting of Russian President Boris Yeltsin with Prime Minister Viktor Chernomyrdin, presidential press secretary Sergey Medvedev told ITAR-TASS today.

It was the President's first traditional Tuesday meeting with the Premier since Yeltsin returned to his Kremlin cabinet after undergoing treatment at the Central Clinical Hospital and the "Barvikha" sanatorium.

The press secretary said that the President and the Premier discussed the personnel policy of several subjects of the Russian Federation. He said they also exchanged opinions on the parliamentary elections scheduled for December 17 and the measures aimed at insuring their organized holding.

Yeltsin and Chernomyrdin also talked about the situation in the Chechen republic and the pace of implementing the agreement on the package of military issues, signed ten days ago.

Medvedev said that the Premier informed the President about the progress of talks with Ukraine on the Black Sea fleet. The destiny of the fleet was decided on a principled level by a document signed by the presidents of Russia and Ukraine at the June, 1995, summit in Sochi. At present, Russia and Ukraine are engaged in consultations on the level of experts on concrete aspects of this agreement's implementation.

Medvedev said that Yeltsin and Chernomyrdin also touched upon Russia's position on the settlement of the Bosnian crisis and the measures taken by the Russian government to intensify the combat of crime in the country.

Chernomyrdin on Topics of Meeting

LD0808170095 Moscow ITAR-TASS in English 1622 GMT 8 Aug 95

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] KRASNOGORSK, August 8 (ITAR-TASS) — Russian Prime Minister Viktor Chernomyrdin discussed at his Tuesday meeting with President Boris Yeltsin the activity of "Our Home is Russia" movement, the combat of crime, and Yeltsin's fresh initiative for the settlement of the conflict in the former Yugoslavia, Prime Minister Chernomyrdin told a news conference on Tuesday upon completion of a scientific-practical conference of the Moscow regional movement "Our Home is Russia."

Chernomyrdin said that the second congress of the movement, scheduled for August 12, is to name the candidates for the upcoming parliamentary elections. "The President has some considerations about who of the respected people should be nominated, we discussed this and took a decision," he said.

Touching upon the combat of crime, the head of government stressed that "radical, revolutionary, tough measures" are necessary in this sphere. He said he discussed this issue with the President.

Chernomyrdin said that at the Monday government session, the "power" ministers were given a two-week deadline to come up with specific proposals on this problem.

Chernomyrdin said that during his Tuesday meeting with the President, they also discussed Yeltsin's fresh initiative for the settlement of the conflict in the Balkans. The Premier stressed that he fully supports the proposals of holding a Moscow summit of former Yugoslavian republics.

Yeltsin Says Chechnya Election May Be Postponed

MK0808121095 Moscow KOMMERSANT-DAILY in Russian 8 Aug 95 pp 1, 3

[Report by Ilya Bulavinov: "Chechnya Is Not Yet Mature Enough To Hold Election"]

[FBIS Translated Text] On returning from the "Barvikha" sanitorium to the Kremlin yesterday [7 August], Boris Yeltsin made two serious statements on the Chechnya problem. He said that he had already made a decision on nominating his representative to the Chechen Republic. The president did not name him, though; nor did he deny reports that it was Security Council Secretary Oleg Lobov who would take up this post. Another presidential statement concerned Chechnya's immediate future. Yeltsin believes that elections there should be postponed at least until next year.

It is difficult to say how a postponement of elections in Chechnya (expected to take place this fall) would affect the situation in the republic. One may presume, however, that as time passes the chances for Moscow's loyalists to win diminish — even though the federal authorities, without a doubt, will do their best to convince the population of the advantages of the "new regime." Defeated but not subdued, the Dudayev forces will remain more attractive in the Chechens' eyes than the collaborationists who came to power aided by Russian bayonets.

By letting the Dudayevites into provisional power structures, however, Moscow will considerably weaken its influence on the outcome of the election. Meanwhile, it is evident that it cannot let things take their own course either — too much depends on the election: The problem of a political settlement in Chechnya and the determination of its status have been put off until elected power agencies are formed.

It is possible that yet another Moscow supervisor in the region may add new touches to the existing Chechnya landscape. Although the president is keeping mum on whom he will make his representative in Chechnya, KOMMERSANT-DAILY's information confirms that, to all appearances, this will be Oleg Lobov. On taking up the new job, he will not quit his current post of Security Council secretary. It seems that the president urgently needs a fully tested ally on the Chechnya axis, and, to all appearances, the upcoming appointment should be interpreted first of all in political terms. Although Lobov has traditionally been listed among the "hawks," it is known that he did not support a solution to the Chechnya problem by force until the last minute. Given that, he will fit in perfectly well with the existing situation. What should guarantee the requisite level of Lobov's competence is his six-month chairmanship over the state commission determining the causes of the crisis. His penchant for resolving economic problems, which Lobov could not leave behind even at the Security Council, will certainly come in handy — his construction background will be particularly valuable in Chechnya. The most important thing, however, is that he is better equipped than anyone else to play the part of the "presidential hand." For the time being, there are virtually no people trusted by the president in Chechnya, even though too many faces well known to Chernomyrdin (Kulikov, Mikhaylov, Volskiy) are calling the shots there.

Presumably, Lobov found it hard to accept Yeltsin's offer. On one hand, the "presidential commissar" could not but feel flattered by the top leader's confidence (he felt insulted when supervision over Chechnya was transferred from the Security Council to the presidential administration). The ambitious Oleg Lobov expected something different, however: He was hoping to replace Sergey Filatov, head of the presidential administration. Everything can be reversed, though — it will be so easy to point the finger at Oleg Lobov should complications arise in Chechnya. As for laurels, these can hardly be expected yet, although, quite possibly, they have been promised. Even if Lobov lives up to the confidence displayed by the president, his career will largely depend on the parliamentary election and Yeltsin's chances of reelection.

In the meantime, the situation in Chechnya remains extremely complex and does not look like peace at all. The exchange of prisoners and persons forcibly detained in Groznyy failed to take place yet again. Yesterday morning, experts alone resumed their consultations at the OSCE mission building. According to Said-Khasan Abumuslimov of the Chechen delegation, disagreement exists over who should be considered "a POW" and who "a forcibly detained civilian," as well as on the number of people to be exchanged. It is difficult to grasp what the disagreement is about: The negotiators said earlier that prisoners would be exchanged according to the principle "all for all," be they prisoners or forcibly detained persons.

The Dudayevites do not consider themselves to be defeated at all and are gradually regaining the ground they have lost. According to the federal forces' press center, yesterday morning about 50 armed fighters entered the village of Achkhoy-Martan, posted sentries on the roads leading to the village, and started setting up a commandant's headquarters.

On Sunday [6 August], the checkpoint of the Russian troops at the entrance to Gudermes was visited by an unusual delegation of local residents, who, strange as it may seem, did not come to express their admiration for the peace accord just signed. The press center of the Russian troops said that the crowd threw stones and metal objects at soldiers and fired shots. No doubt, had the Russian soldiers opened fire, they would have immediately been accused of a provocation and of killing peaceful people. At the same time, a federal command spokesman told INTERFAX that "such provocations by certain forces will also take place in other locations." Moreover, the military believes that Dudayev is regrouping his forces and supplying them with additional arms, as he plans to resume combat operations on 7 or 8 August. Akhmed Zakayev, member of the Chechen delegation at the talks, dismissed the statement by the federal press center as "a provocation" yesterday. Zakayev said that "both the Chechnya president and the republic's Cabinet of Ministers are ready to comply with the agreements signed in Groznyy." It is difficult to say whether Dudayev is ready to do so, but the Chechens have not yet begun implementing a single provision of the accord.

Clearly, even without Dudayev out there, Chechen armed groups are not going to make peace, let alone surrender their weapons voluntarily. It is not clear what line of conduct Moscow will adopt if Dudayevites continue taking villages and towns and throwing stones at Russian soldiers, while the latter, for their part, continue "strictly abiding by the terms of the cease-fire agreement and using weapons only in exceptional cases."

Chernomyrdin Stresses Importance of Chechen Accord

LD0808171995 Moscow ITAR-TASS in English 1657 GMT 8 Aug 95

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] KRASNOGORSK (Moscow region), August 8 (ITAR-TASS) — Russian Premier Viktor Chernomyrdin on Tuesday said it is impossible to maintain that the signing of the agreement on the package of military issues removes all problems on the way of the Chechen settlement, but it is undoubtedly a very important document which also embraces a number of political aspects.

Speaking at a news conference upon completion of a scientific-practical conference of the Moscow regional movement "Our Home is Russia," Chernomyrdin said that the President, the government, the leaders military agencies [as received] will do everything possible to promote the development of the disarmament process.

As far as Dzhokhar Dudayev's statements about a war till victory are concerned, the Prime Minister said categorically "We did not conduct any negotiations with him, he does not exist for us in this sense."

Spokesman: Disarmament Process Started in Chechnya

LD0808154595 Moscow INTERFAX in English 0145 GMT 8 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 8 (INTERFAX) — The disarmament process has started in Chechnya, while it is still early to speak of arms having already been laid down, head of the Russian Interior Ministry's Public Relations Center Vladimir Vorozhtsov told INTERFAX Tuesday.

In his words, "disarmament will start only after all measures foreseen in the Groznyy agreements are taken."

He stressed that the agreement's results and the need for disarmament must be explained to Chechen residents.

Representatives of the federal command and Dudayev supporters are meeting local residents, Elders and others wielding authority for this purpose.

A special observer commission is to be formed to monitor disarmament. So far only the commission's co-chairmen have been named: Commander of Federal Troops Anatoli Romanov and head of the Dudayev military staff, Aslan Maskhadov. The commission is expected to include representatives of the Chechen government in Groznyy, leaders and public figures of Chechnya, and representatives of the OSCE [Organization for Security and Cooperation in Europe].

Similar commissions are to be formed throughout the Chechen republic, said Vorozhtsov.

The disarmament procedure shall be elaborated and coordinated in every populated locality of Chechnya with due account for local differences, he added.

A plenipotentiary of the Russian President is to arrive in Chechnya with the exclusive right to oversee disarmament. This right is vested in him by the recent agreement.

"Final disarmament can start only after fulfillment of all these conditions," said Vorozhtsov. He stressed that the conditions are outlined in detail in the agreement signed in Groznyy on July 30.

"Unfortunately, the genuine text of the agreements is little known by the Chechen public, which enables some to make incorrect comments on the procedure to form local power bodies, the strength and armament of self-defense units and withdrawal of the Russian troops," said Vorozhtsov.

He said that "Chechen residents can disarm outside the framework of the agreements." Under Russian laws, "a person who voluntarily disarms is freed from criminal responsibility for illegal possession of a gun."

He also noted that "a number of illegal armed groups and units have voluntarily disarmed." For instance, anti-Dudayev supporters of Ruslan Labazanov have laid down over 300 guns.

Chernomyrdin Addresses 'Our Home' Meeting

LD0808204495 Moscow ITAR-TASS in English 2034 GMT 8 Aug 95

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] MOSCOW, August 9 (ITAR-TASS) — Chairman of the Russian movement "Our Home is Russia" Viktor Chermonyrdin on Tuesday addressed a scientific-practical conference of the movement's Moscow regional department in the Moscow suburban town of Krasnogorsk.

Chernomyrdin said that the second congress of the movement, scheduled for August 12, is to discuss Russia's economic situation, the movement's organisational and ideological activity and objectives during the election campaign.

He said that the congress will discuss the programme and the election platform of the movement. The federal coordinating committee — the headquarters of the election campaign — is to be formed at the congress.

Chernomyrdin noted that he regards today's conference in Krasnogorsk within the context of the multifaceted work on preparation of the congress and the election campaign.

As long as there has yet been no "apportionment" of election districts, it is impossible to begin campaigning for concrete candidates, he stressed. Therefore it will be necessary to convene once more in full composition of the congress in the beginning of September to approve the election lists. He emphasized, however, that August should by no means be lost for active propaganda of ideas of the movement.

Chernomyrdin noted that the movement "Our Home is Russia" should become a genuine popular movement of a broad centre, with a solid support in all electors strata.

The movement is called "the party of power," but one may have a different attitude to the present-day power, he went on to say. There are grounds for criticising it, people can expect more from it. But something finally started to work, he stressed.

"If we are called 'the party of power,' we should not be ashamed of it. We are not a 'party of personae,' functionaries and the elite, we should be a party of the power which people will elect, which is necessary for a stable and confident development of Russia," Chernomyrdin stressed.

This is why people should see in the movement's programme and election platform a doctrine of strengthening Russian statehood. Our working assignment is to institute order and improve our common home, he explained.

The movement advocates an evolutionary way of social transformations and opposes revolutions and extremism. The continuation and completion of revival of the Russian state is the main priority of the movement, Chernomyrdin continued.

The victory in the elections is needed for the movement also in order "not to slip from the path of peace into the abyss of war." It is necessary to complete the mission, and to restore normal peaceful life in Chechnya, he stressed.

Chernomyrdin noted once again that the movement aims at building its relations with the government according to the principle of critical solidarity. "This means that the movement does not totally blend into the government, does not unconditionally support all its activities on the whole, or the activities of its individual ministers," he said.

"Our movement maintains a distance and uses its full right both to criticism and to support, wherever it deems it necessary," Chernomyrdin added.

In conclusion, Chernomyrdin advanced a proposal to have, alongside an election platform, a concrete list, or better a package of draft laws which the deputies of the movement will submit within the first three months of activity of the State Duma.

Proceedings of Meeting Detailed

LD0808203395 Moscow ITAR-TASS in English 1935 GMT 8 Aug 95

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] KRASNOGORSK, August 8 (ITAR-TASS) — The Krasnogorsk regional branch of the electoral bloc "Our Home is Russia" today held a conference which was attended by movement leader, Russian Prime Minister Viktor Chernomyrdin.

The conference was to discuss the electoral platform of movement.

However, it in fact proved an outlay of economic grievances of leaders of the Moscow regions' factories and organisations to the prime minister.

Nonetheless, some speeches addressed the prospects of the pro-government bloc which was directly called by speakers "the party of power."

Moscow regional administrator Nikolay Tyazhlov informed the conference that local branches of the bloc had been set up in 61 towns of the Moscow region and only half of them were chaired by local administrators.

"This is a movement of those who understand that in the period of romantic democratism we have destroyed much, of those who do not want to allow the economy to collapse," Tyazhlov said.

He quoted findings of opinion polls which indicate that the "Our Home is Russia" movement rates third after Yavlinskiy-led Yabloko and the Communist Party of Russia.

Tyazhlov said the movement bloc did not want among its members populists and those "who see revolutionary twists as a way out of the crisis."

Many speakers reiterated that the government should possibly soon resolve urgent social challenges, while the bloc should come up with meaningful social slates before the forthcoming parliamentary election.

The movement conference was attended by many foreigners.

Shakhovskiy district administrator, minister without portfolio Nikolay Travkin told ITAR-TASS that he was "only gauging" the bloc so far.

Interviews in the conference's lobby showed that many delegates were former Communist Party district committee secretaries and other ex-communist functionaries.

One of the former secretaries told ITAR-TASS that he hailed "Our Home Is Russia" bloc, but he said he thought the bloc should have been forged much earlier.

He voiced confidence that the movement would win ample votes in the election if it "will work with masses in an efficient way."

'Totally New Society' Planned

MK0908101295 Moscow SEGODNYA in Russian 9 Aug 95 p 1

[Report by Dmitriy Volkov: "Viktor Chernomyrdin Expresses 'Critical Solidarity' With Government. ROH To Create 'a Totally New Society'"]

[FBIS Translated Text] Yesterday [8 August], Viktor Chernomyrdin, in his capacity as party leader, addressed a scientific-practical conference of the Moscow Oblast regional chapter of his "Russia Is Our Home" [ROH] movement in Krasnogorsk. His energetic campaigning effort appears to be designed to mobilize expected supporters of the "party of power," who are due to gather for their second congress on Saturday [12 August].

According to Mr. Chernomyrdin, the ROH will hold its third congress in September, after the boundaries of electoral districts are defined, so as to determine the ordinal numbers of the ROH candidates who will run in the State Duma election on the party lists. At the same time, ITAR-TASS reported, Viktor Chernomyrdin urged that "August by no means should be lost for active work to publicize the movement's ideas." To all appearances, the cabinet's key figures are ready to use the last month of summer for political campaigning and organizational efforts. State Property Committee Chairman Sergey Belyayev, for instance, has taken a "technical leave" for this purpose, possibly retaining the right to his annual leave as well.

Mr. Chernomyrdin announced the ROH's intention to be "a genuine movement of the people" that will not be embarrassed to be called "the party of power." "We should be a party of power that will be elected by the people," said the premier. Mr. Chernomyrdin appears to be confident of the fact that the people will elect a party that intends to create "a totally new society without 'isms,'" not "socialism or communism." A certain ambiguity in its intentions has already caused differences within the ROH that surfaced at the regional meeting of the movement's functionaries in Novosibirsk, which announced its disagreement with the draft program of "Our Home." At the same time, the head of the movement said that, in its relations with the government, the ROH should stick to the "principle of critical solidarity." "This means that the movement will not totally dissolve itself in the government, nor will it back unquestioningly any actions by the government in general or by its individual ministers," but "will keep its distance and exercise its full right to both criticism and support wherever it thinks fit," he explained. Chernomyrdin, speaking as the head of ROH, seized the opportunity to publicly criticize the premier's (i.e., his own) tax policy, which he says does not stimulate production.

Chernomyrdin on Economic Policy

LD0808194295 Moscow INTERFAX in English 1823 GMT 8 Aug 95

[FBIS Transcribed Text] KRASNOGORSK, Aug 8 (INTERFAX) — Russia's economic reform policy needs adjustment, Prime Minister Viktor Chernomyrdin told a conference of the Moscow region's branch of the Russia Is Our Home movement in Krasnogorsk Tuesday.

He said that "certain elements of our economic reforms must be abandoned." At the same time Chernomyrdin pointed to the need for continuity and stability of the process of renewal.

"It is our duty to continue moving forward and to bring our undertaking to a logical outcome, and not drop it halfway," Chernomyrdin said. He said that continuity in politics was necessary and that was precisely the reason why his movement, Russia Is Our Home, had decided to take part in the election campaign.

"We are steering towards the elections in order to formulate, with reliance on parliament, our professional responsibilities before the people," Chernomyrdin said. He believes there is nothing disgraceful about the fact that his movement is sometimes called the party of power. "Yes, we are the party of power, of power that has credibility with the people," Chernomyrdin said.

He promised that the movement's congress would gather on August 12 and make public its policy documents. He said those documents would meet all current realities and contain guidelines for the nation's further development.

Asked at a news conference afterwards about the crime situation in the country, Chernomyrdin said that he had held a conference with the law enforcement ministers several days ago and set them a two-week deadline to make specific proposals for stepping up the struggle against crime. Chernomyrdin said that there was a need for "tough, even revolutionary measures."

Chernomyrdin: Socialism 'Unlikely'

LD0808184495 Moscow Russian Television Network in Russian 1600 GMT 8 Aug 95

[Report over video from Krasnogorsk by correspondent T. Aldoshina, including recordings of remarks by Russian Prime Minister Viktor Chernomyrdin and Boris Kaminskiy, director of Golitsino Bus Plant — from the "Vesti" newscast]

[FBIS Translated Text] [Aldoshina] The Krasnogorsk Palace of Culture prepared a scientific and practical conference of the Moscow regional organization of the Russia Is Our Home [ROH] movement in a serious and solid way. Premier Viktor Chernomyrdin, leader of the movement, was expected. The premier arrived and his speech opened preparations for the movement's congress which is to finalize the ideology and guidelines of the ROH. Viktor Chernomyrdin reiterated his conviction that his movement should become a truly popular movement with a broad center.

[Chernomyrdin, shown addressing the conference] We don't want 17 December [date of elections to State Duma] to become a prologue to yet another 1917 and the beginning of yet another round of great turmoil for Russia and the Russians. We don't want the country to turn back or the hardships of the last few years to be in vain.

[Aldoshina] Viktor Chernomyrdin said today that a return to socialism is unlikely and that communism will forever remain a ghost as an alien political theory, while Russia must follow its own Russian path.

[Chernomyrdin] It is time for us to understand that Russian problems should be solved first of all by the Russians, and here I must agree on some points with Kaminskiy, who spoke from this rostrum.

[Aldoshina] Boris Kaminskiy, director of the Golitsino bus plant, in whose support Viktor Chernomyrdin spoke, made a quite emotional speech today, and his views seem to be typical of the entire ROH movement.

[Kaminskiy, shown speaking from the rostrum] We are pretending not to notice the fact that foreign companies are penetrating the country and we are losing a seller's market. We are pretending not to notice! Yes, we are prepared to invite foreign companies, but only on condition that we, Russians, and not foreign managers should dictate policies to those admitted to our market! Thank you. [applause]

[Aldoshina] The first data on the alignment of forces before the elections were disclosed in this hall. According to the Institute of Sociopolitical Studies, Yavlinskiy's Yabloko bloc is the leader in Moscow region, followed by Chernomyrdin's ROH movement and the Russian Communist Party. An hour earlier the audience was told that the Moscow branch of Russia's Choice wants to join the party of the authorities [ROH].

Chernomyrdin To Use 'Tough Measures' on Crime

MK0908064495 Moscow SEGODNYA in Russian 8 Aug 95 p 2

[Report by Svetlana Lolayeva: "Viktor Chernomyrdin Has Called for 'Tough Measures' Against Crime. Law-Enforcement Agencies Have No Money Even for Policemen's Shoelaces"]

[FBIS Translated Text] The question of activating the fight against crime was discussed at yesterday's [7 August] extraordinary closed session of the government presidium, chaired by Prime Minister Viktor Chernomyrdin, with the participation of power departments heads: Federal Security Service Director Mikhail Barsukov, Internal Affairs Minister Anatoliy Kulikov, and Acting General Prosecutor Aleksey Ilyushenko. As Viktor Konnov, the prime minister's press secretary, told your SEGODNYA correspondent, Viktor Chernomyrdin said, when opening the session, that crime has swept the country, and the government and law-enforcement agencies were to give explanations to the people. The head of government mentioned several unsolved murders — those of Viktor Polyanichko, Vlad Listyev, Dmitriy Kholodov, and the supposed poisoning of Ivan Kivelidi. From Mr. Konnov's words, it can be construed that it was the circumstances of the sudden death of Ivan Kivelidi, chairman of the "Russian Business Roundtable," that made the government hold its long-planned meeting on problems of checking crime.

Speakers at the meeting were Internal Affairs Minister Anatoliy Kulikov, Deputy General Prosecutor Oleg Gaydanov, and Ivan Khrapov, first deputy head of the Internal Affairs Ministry's Criminal Investigation Directorate. Mr. Gaydanov said that the investigators know the names of persons suspected of the Kholodov and Listyev murders, but he refused to give them.

The speakers pointed out that one of the most acute problems of the law-enforcement agencies is their underfunding. According to Internal Affairs Minister Anatoliy Kulikov, he personally inspected several police posts and, having reproved a militiaman for his "untidy" look, heard in reply, "Over the past 18 months, there have been no government issues, not even shoelaces." Finance Minister Vladimir Panskov, who was present at the meeting, noted that the lack of funds is partly due to the constant growth in size of the law-enforcement agencies, and that it might be reasonable to stop this process for a while and channel money for their technical reequipment, rearmament, etc. Despite their growing staffs, however, the power agencies complained of a lack of skilled personnel, since the most experienced professionals are leaving for commercial structures, where their salaries are several times higher.

According to Viktor Konnov, the question of giving businessmen and their security guards the right to carry and use guns — which was specially raised by entrepreneurs at the latest "Russian Business Roundtable" meeting — was not discussed at the session. It was pointed out, however, that the activity of private security organizations should be put within clearly defined limits. According to data given at the session, there are now 900,000 firearms, including Kalashnikov submachine guns and rifles, in the possession of 22,000 organizations and enterprises without special permission. Today, private organization are better armed than the law-enforcement agencies. It is necessary that the legality of arms possession be strictly overseen, and that all private security structures be united in an association to coordinate their activity.

As a result of the session, law-enforcement agencies were instructed to prepare, within two weeks, their proposals on activating organized crime control, which, put together, will go to the president's desk. Concluding the discussion, which lasted for over two and a half hours, Viktor Chernomyrdin, according to his press secretary, said that tough measures cannot be avoided.

Proceedings on Death of Businessman Begin

LD0808180495 Moscow ITAR-TASS in English 1623 GMT 8 Aug 95

[By Larisa Kislinskaya]

[FBIS Transcribed Text] MOSCOW, August 8 (ITAR-TASS) — Criminal proceedings have been instituted on the fact of death of Ivan Kivelidi, president of the "Round Table of Russia's Business" association, based on article 102 of Russia's Criminal Code — murder in the first degree.

Kivelidi was hospitalised on August 1 with a serious case of poisoning. He was placed at the intensive care unit of the Moscow Central Clinical Hospital in a state of coma and with a heavy brain edema. On August 2, he died.

The dynamics of the poisoning allowed the pathologists to make a preliminary conclusion that the salts of heavy metals, possibly cadmium, were used as poison. Any combination of cadmium with acids is toxic. One gramme of cadmium is a lethal dose for a human being. A person can be poisoned with cadmium rather easily — its crystals are colorless and practically unnoticeable.

The supervisors of the operative brigade investigating the case told ITAR-TASS on Tuesday that the results of the forensic expertise will be made public after two or three weeks. But preliminary examination confirms the version that Kivelidi and his secretary were poisoned.

In the meantime, Russia's Deputy Prosecutor General Oleg Gaidanov told Tass on Monday that the forensic expertise will be completed in six or seven days. The study of internal organs of the deceased will make it possible to establish the type of the poison that was used.

At present, a number of versions of eliminating Kivelidi are being looked into. It has been established that the businessman never had lunch at the office, preferring to eat at the business club. At the office, he only drank tea or coffee, and sometimes ate sandwiches prepared by his secretary. The murderers must have been well aware of this fact.

Zhirinovskiy Campaigns for Party in Kuban

MM0808145495 Moscow IZVESTIYA in Russian 4 Aug 95 p 2

[Report by Andrey Aderekhin followed by "significantly abbreviated excerpts," "prepared for publication by the IZVESTIYA Analysis Center on the basis of the author's program statements during 1993-1995:" "Has Vladimir Volfovich Been Canonized?"]

[FBIS Translated Text] Potential candidate deputies and Russian presidential candidates have gone to meet the people. The election business is not only natural but also useful. It is useful to listen to a candidacy, to see the commodity face to face, so to speak, to assess its quality, and at the same time to have a bit of fun. For, in addition to everything else, election meetings with the electorate are a spectacle, a presentation, a one-man show taking the form of a majestic pantheon (sometimes a waxworks) of the current Russian polity (not to be confused with politics).

IZVESTIYA intends to monitor the shows on the political stage this summer and fall.

The first report in this series comes from Krasnodar. In the arena is V.V. Zhirinovskiy.

The leader of the LDPR [Liberal Democratic Party of Russia] visited the Kuban's Kushchevskiy Rayon — one of the kray's remotest rayons. He participated in the opening of the traditional Kushchevskaya arts festival, which was taking place this time under the motto "The LDPR Is Russia's Hope." In addition to this, he climbed into the pulpit. People both young and old listened to Zhirinovskiy's improvised sermon, which he delivered in Kushchevskaya's recently opened orthodox church. The LDPR leader spoke of the need to revive orthodoxy in Russia and said that the orthodox religion is the Russian person's true faith. For a section of the people of Kushchevskaya Zhirinovskiy will evidently henceforth be firmly associated with icons and the church. But the kray press commented on this briefly and caustically: "It is not yet known whether Vladimir Volfovich has been canonized in Kushchevskaya's church."

The local press also drew attention to a football match which Zhirinovskiy's team played with football veterans of Kushchevskiy Rayon. Zhirinovskiy scored a goal here too. From a penalty.

A certain Mr. Burbulis would never have managed that.

The religious and sporting aspects of Zhirinovskiy's visit to a remote part of the Kuban three into sharper relief the seriousness and thoroughness with which the LDPR is mounting its election campaign. Launching a vendetta against local party members, Zhirinovskiy reported: Henceforth, to ensure that there are no squabbles, the LDPR's rayon organizations in the kray will directly obey Moscow.

The CPSU Central Committee never even dreamed of such a thing.

Zhirinovskiy set out from Kushchevskiy Rayon for the Black Sea coast. For a vacation. But a few days later he again returned to election business. The 80th anniversary of the local military aviation school was being celebrated in the city of Yeysk. The newspaper KRASNODARSKIYE IZVESTIYA reports that, after driving up to the border of Yeyskiy Rayon in stylish limousines, the delegation headed by Zhirinovskiy there transferred to modest Volgas, in which they arrived at Yeysk Stadium, where the anniversary was being celebrated.

In a 10-minute speech Zhirinovskiy insistently tried to persuade the future voters not to make a mistake when voting in this year's December elections. "If the LDPR accedes to power, officers will not have three-month wage arrears and will each have an apartment," Vladimir Volfovich promised.

Excerpts From the LDPR Leader's Correspondence With Voter Friends in Various Years

On the peasant's lot. ...You will recall that some people make out that the Peasant Party, the Agrarian Party, and others are for you. There is no one.

...Why is our agriculture needed? "Let us destroy it. The peasants will gradually die out." This is the aim of the present leadership, the present government.

...If our party's faction has an absolute majority of votes in parliament after the elections in December, we promise you a drastic change of policy on the Russian peasantry. We will only help. Help with roads.

I promise you that after the elections to the new State Duma we will pay you for your 1996 harvest by the spring. So that you know that it has all been paid for. When you hand it over in August and September, you will already have money in your bank accounts — that applies to both individuals and corporate bodies.

On trade. ...To end organized crime within a few months. To expel from the motherland speculators who hike the prices of the frequently substandard products that they import. To grant the right to trade only to persons with Russian citizenship.

On the unified and indivisible. It is necessary to close down autonomous republics, oblasts, etc. and at once reinstate provinces headed by a governor. Not hold a debate on this. Quickly and toughly, in accordance with an appropriate edict, send sovereign presidents who refuse to be transformed into governors to out-of-town Moscow dachas for an "interview."

On the mass media. In the sphere of internal propaganda it is proposed to remove from the mass media all anti-Russian ideologues and agitators, foreign preachers, and also commercial advertising and eroticism.

On persons of Caucasian nationality. ...I would not admit representatives of the Caucasus and the Transcaucasus to the leadership of parliament.... They will always harm Russia. Not on ethnic grounds, but on regional grounds.

On enemies of the people. ...Let them not sleep soundly, since the hour of retribution and just punishment in accordance with the laws of Russia is approaching irreversibly.

...It is the task of professional specialists, of people with a clear conscience, of Russia's patriots to get them, wherever they might be, in whatever crevice they have taken refuge, be it in Africa, America, Australia, or Europe, and to return to the people the assets stolen from them....

On foreign policy. ...Above all, lift the blockade of Yugoslavia, Iraq, and Libya and send to the Balkans the Russian group of forces which is being withdrawn from Germany. Such a solution to the problem with Yugoslavia will make it possible to saturate the Russian market with inexpensive clothes, footwear, and foodstuffs.

On the current moment. ...This is the scenario: Hungry, unemployed people will start demonstrating all over the country, the Special Purpose Militia Detachment will be thrown against them, and a war will begin in the south. It will be transferred to Ingushetia, maybe to Dagestan and Stavropol Kray, to other southern regions....

If an honest representative of the FSB [Federal Security Service] were standing here, he would read out how many deputies will be killed — you State Duma deputies! Several people. You will stand up again and honor their memory by standing. You will bury them. And then several ministers. A state of emergency will be introduced from August through September.

On perfidious intrigues against himself. The Israeli-Zionist plan: to dismember the country. The Islamicization of the peninsula is also taking place in the Crimea today, and 15,000 Muslim gunmen are already ready to perpetrate carnage against Russians, as is being done in Stavropol Kray today. What, does the FSB not know this? What, does the FSB not have lists of who will be killed this year? They cannot publish these lists. What, have I not appealed to the State Duma chairman to protect the leaders of parties and factions? What, is Shelov-Kovedyayev of the "Russia's Choice" faction not going around Moscow's national bandit groupings and persuading them to kill Zhirinovskiy, intimidating them with the prospect that, if Zhirinovskiy is elected president, I will throw out all national bandit groupings? Yes, I will throw them all out, so that not one Russian is killed.

Zhirinovskiy on Duma, Presidential Elections

LD0808195395 Moscow INTERFAX in English 1823 GMT 8 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 8 (INTERFAX) — Extreme Russian nationalist Vladimir Zhirinovskiy said Tuesday his participation in the December 17 elections to the State Duma, the lower house of parliament, would be confined to the nationwide party-list poll.

He would not run individually in any of the constituencies, he said at a news conference, answering a question from INTERFAX. Zhirinovskiy, leader of the Liberal Democratic Party, said he was ready to stand on his own in any constituency but that the last parliamentary election, whose results were questioned, had led him to the conclusion that being one of the candidates on his party's list was a wiser option.

He said the Liberal Democrats did not plan to ally with anyone, for "blocs are made by those who do not expect to win on their own."

He said there were four principal political entities in Russia's political scene today: the "democrats" (Yegor Gaydar's Democratic Choice of Russia and Grigoriy Yavlinskiy's Yabloko), "the nomenklatura, which has come together in the movement Our Home Is Russia" (led by Prime Minister Viktor Chernomyrdin), the Liberal Democratic Party and the "left-wingers" (the Communist and Agrarian parties).

"The Liberal Democratic Party of Russia is the only party that is not linked to the former political system," Zhirinovskiy said.

He said the party would approve its election list at its sixth congress, scheduled to be held in Moscow on September 2.

Speaking about the next presidential election of 1996, Zhirinovskiy said those who stood the best chance of winning it were himself, today's president Boris Yeltsin, Moscow Mayor Yuriy Luzhkov, former vice president Aleksandr Rutskoy and Communist Party leader Gennadiy Zyuganov.

Further Zhirinovskiy Comment

LD0808191595 Moscow Radiostantsiya Ekho Moskvy in Russian 1500 GMT 8 Aug 95

[FBIS Translated Text] A congress of the Liberal Democratic Party of Russia [LDPR] has been scheduled for 2 September. The congress is to finalize a federal list of LDPR candidates for the forthcoming elections to the parliament.

[Correspondent] Vladimir Zhirinovskiy, the party's leader, will top the list. Unlike in previous elections, he does not plan to be nominated in a single-mandate constituency since he fears that, like the last time, the authorities will try to question the voting results. Meeting journalists at the Moscow Rozentol Club, Zhirinovskiy said that the bulk of the list will be made up of representatives of the regions and only 30-40 people will be from Moscow. Only the first three names on the list are known for the time being. Zhirinovskiy is followed by current deputies Sergey Abeltsev and Aleksandr Vengerovskiy. The parliamentary elections are only a test of strength for the LDPR, while victory in the presidential elections is the main goal.

Answering a question from Ekho Moskvy, Zhirinovskiy said that if he wins he will first of all sign a decree on stopping the civil war which, according to him, has been going on since 1917. Troops will be put on combat alert, and the entire population will have to surrender weapons within 72 hours. Only after this has been done, the LDPR leader believes, can one ponder the establishment of democracy in the country.

LDPR Said Probing Members' Backgrounds

LD0808152895 Moscow ITAR-TASS in English 1510 GMT 8 Aug 95

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] MOSCOW, August 8 (ITAR-TASS) — Vladimir Zhirinovskiy, the ultra-nationalist leader of the State Duma's Liberal Democratic Party faction, sent enquiries to police and psycho-neurological and drug addiction outpatient clinics, the faction's press service said today.

The aim of the enquiries was to probe into backgrounds of Liberal Democratic Party (LDPR) members who are going to run in the forthcoming election to the State Duma, or the lower house of parliament.

The press service's release says candidates for the parliament must have clean curricula vitae "and how can it be ascertained whether a person has a criminal record or was followed up in a clinic?"

This information can be provided only by "corresponding bodies", the release says.

The press service said the LDPR got satisfactory answers from almost all addressees.

Boris Fedorov of 'Forward, Russia!' Interviewed

MK0908121695 Moscow KURANTY in Russian 8 Aug 95 p 3

[Interview with Boris Fedorov by Sergey Yermilov; place and date not given: "Not To Confuse Motherland With the Bosses. Several Questions About Patriotism to the 'Forward, Russia!' Movement Leader"]

[FBIS Translated Excerpt] [Yermilov] Commenting on the results of the latest public opinion polls, one newspaper has written that the "Forward, Russia!" movement is actively scoring points because, among other things, it is marketing the ideas of patriotism. Is this a deliberate campaign move?

[Fedorov] Many are actually telling me totally different things: To lure voters it is better not to be either a democrat or a patriot. I think these two principles are the most important conditions for taking Russia out of the crisis. To restore it to the status of a strong state, our slogans should be those followed by outstanding state figures at the start of the century — reforms and order, revival of traditions, and respect for our own history, culture, and religion. In our troubled times, when society is ruled by desperation and a sense of national humiliation, when the Kremlin leaders have come to be a laughingstock before the entire civilized world, I think that the democrats are making a mistake when they contrast patriotism with the liberal idea and are afraid of this word. For some reason, it has become synonymous with "fascism."

I find it strange to hear from Gaydar words like: "Our opponents will be campaigning under the slogans "Great Russia," "Powerful state," and "Patriotism;" as for us, we will adopt "Liberalism," "Human Rights," and "Democracy." This artificial contradiction should be done away with. What is reasonable and moral, according to [Leo] Tolstoy, always coincide. The question of patriotism and statehood in no way runs counter to either liberal convictions or the principles of freedom. Now it appears that we farm out the important problems to the extremists who are selling the newspaper CHERNAYA SOTNYA [Black Hundred] outside metro stations, to the Zyuganovites who are trying to crossbreed patriotism and... proletarian internationalism (I am not speaking about honest Communists, whom we welcome in the ranks of the "Forward, Russia!" movement, but about the functionaries striving for power and prepared to give up all the communist dogmas), and to the defective politicians who see Russian nationalism as a method to fight the growing nationalism of other peoples. [passage omitted]

[Yermilov] You once said you would like to transfer the capital from Moscow to Kiev....

[Fedorov] Many a true word is spoken in jest. In fact, several years from now all today's ups and downs will be forgotten, as will the way Yeltsin fought the CPSU, but the split between the Slavic states will be evaluated as a great national tragedy. I speak about this not because my ancestors lie buried in Ukraine. With the disintegration of the USSR, they threw out the baby with the bath water — a single nation that included the Little Russians, the Great Russians, and the Belorussians. [passages omitted]

[Yermilov] What is your idea of a strong state?

[Fedorov] This is, undoubtedly, a federation where there is no asymmetry, which is fashionable today, with normal borders and clear answers to all questions. [passages omitted]

[Yermilov] What do you imply by patriotism in the economy?

[Fedorov] Anything but protectionism: Protectionism over and above sensible limits is the lot of the weak, it leads to stagnation. For example, the EU export duty on engineering products amounts to 5.9 percent. If we are limiting imports with a value-added tax and import duties, we are preserving poor quality and obsolete technologies. This is an antistate and antipatriotic policy. The producer should be protected so that he works better rather than do nothing at all. We should strive to build such an economy in which we will not need foreign credits, in which we will not be thinking about how to better seal the markets (let the West fence itself off from our commodities!), and in which the process of capital exports (exports rather than flight) will begin in Russia as a sign of the country's power. [passage omitted]

I generally regard with optimism the future of the Russian state, as well as the future of the "Forward, Russia!" movement. Its ideas hold attraction for a nontypical democratic electorate: Polls indicate that 20 to 25 percent of our voters are pensioners. Among our supporters there are many members of the intelligentsia with higher education and many more people with an unfinished secondary education than Gaydar or Yavlinskiy have. Therefore, I will regard it as a defeat if we only get 10 percent of the votes in the December election.

[Yermilov] What do you need for victory?

[Fedorov] People should realize: The most important thing is not to confuse the motherland with the bosses.

Problems With Electoral Districts Map Viewed

MM0908104095 Moscow ROSSIYSKIYE VESTI in Russian 8 Aug 95 p 1

[Article by Lyubov Tsukanova: "Electorate Is a Tempting Pie. But It Cannot Be 'Carved Up' to Everyone's Satisfaction"]

[FBIS Translated Text] The Russian Federation Central Electoral Commission has ratified its schedule of measures to prepare for and hold the elections for State Duma deputies. The four and a half months left until the elections have been divided up into stages with one for each of the players in the election campaign — electoral associations, electoral commissions, local organs of power, and candidates and their support groups. Strict schedules have been laid down for the publication of lists of single-seat districts, the formation of electoral precincts, the provision and clarification of voters' lists, and the formation of electoral commissions at all levels. The consistency and rhythm of electoral associations' actions hinges around a single date — 30 August. That is the latest date, under the law, on which the Central Electoral Commission can publish lists of single-seat districts. Only after this can associations registered no later than 16 June 1995 (six months before the date of the elections), or voters directly, officially nominate their candidates for single-seat districts. Parties and blocs can submit federal lists to the Central Electoral Commission as of 26 July, but since it would be disadvantageous to convene congresses or conferences twice, parties and blocs will most probably postpone their events until September. Election campaigning cannot begin until candidates are registered — so voters can relax for another month.

But 30 August is the deadline for the publication of the list of single-seat districts. In actual fact the Central Electoral Commission could have published the list earlier (thereby allowing more time for all the candidates' campaigns) if the Federal Assembly had adopted the law defining the boundaries of electoral districts in good time. But the Federation Council, as is well known, refused to ratify the new map, and now the State Duma is seeking ways to meet for an extraordinary session and either overturn the Federation Council's veto (in which case the law would go straight for signing by the president) or take account of the upper house's comments and vote through an amended law (in which case there would need to be an extraordinary session of senators to ratify it).

In any event this will have no substantial impact on the schedule. But, on the other hand, it will cure one headache for the Central Electoral Commission — without a law on the shape of the districts it will be forced to publish the old map, and this could call the election results into question, since not only has a lot of water flowed under the bridge in the space of two years, but many voters have moved from one Federation component to another (not to mention the fact that the total number of voters, according to Central Electoral Commission figures, has fallen substantially). The fall of 800,000 in the number of voters has provided food for suspicion that Federation component organs of power are deliberately underreporting voter numbers so as to have a chance to manipulate results. But the Central Electoral Commission is inclined to trust the figures that have been provided and is interested only in ensuring that all the quantitative figures are legislatively confirmed.

What is the essence of the complaints about the new plan?

Under the law electoral districts within one Federation component should have equal numbers of voters — deviations of no more than 10 percent (or 15 percent in inaccessible regions) are permitted. Electoral districts should represent a unified territory — a Federation component with a number of voters that is below the unified norm of representation (which, according to Central Electoral Commission calculations, comes to 466,000 voters) forms a single electoral district. Taking all these circumstances into account 210 districts can be indisputably defined. Another 15 districts are added to those Federation components where the "leftover" amount is higher, as is the fraction left over after the division into the unified norm of representation [ostalnyye 15 okrugov dobavlyayutsya k tem subyektam federatsii, gde vyshe 'ostatok', bolshe drobnaya chast, ostavshayasya ot deleniya na yedinuyu normu predstavitelstva]. This provides scope for disputes and complaints. According to current calculations, the Komi Republic and Kurgan and Tomsk Oblasts have lost a district each, while Leningrad, Moscow, and Rostov Oblasts have gained one each. Owing to changed population compositions and the leveling out of numbers major changes have affected 38 districts, with minor changes affecting 103. In all, 23 Federation components are affected by changes. Undoubtedly, by no means all regional leaders (and this influenced the Federation Council decision) are satisfied with the new plan, and many referred to the fact that traditions, communication features within territories, and so forth had not been taken into account. One of the charges leveled against the Central Electoral Commission — but this time by parties and associations — is that the normal electorate is being "broken up." In particular, city districts are being diluted by rural districts — and this both complicates campaigning and makes election results less predictable owing to the traditionally more conservative sentiments held by rural voters.

It is clear that, given the vast size of the country's territory, its undeveloped infrastructure, and the need to take account of Federation components, it would never be possible to divide up the electorate into irreproachably equal parts. But it is also possible to prevent any blatant mistakes, much less any deliberate distortions. That is why all parties to the electoral process should have an interest in ensuring that a law defining the borders of electoral districts appears. Interrupting the Duma's vacation to this end would be a small price to pay to ensure that there would be no judicial challenge to the future election results.

Yeltsin Signs Data Program for 'Power Agencies'

MK0808130895 Moscow SEGODNYA in Russian 8 Aug 95 p 1

[Unattributed report: The "Legal Computerization of Russian Federation State Power Agencies" Program Approved]

[FBIS Translated Text] Boris Yeltsin has approved by edict a presidential program called "Legal Computerization of Russian Federation State Power Agencies." Its objective is "the creation of optimal conditions for meeting in the most complete way the informational and legal needs of the country's state power agencies on the basis of progressive and mutually coordinated information technologies." The program calls for the creation of a central, integrated bank of legal information and a fiber-optic telecommunications system linking state power agencies. The program, to be funded from the federal budget, is to be implemented in the course of two years (1996-1997).

Military & Space Issues

Army Daily Views Croatian Offensive

MM0808123795 Moscow KRASNAYA ZVEZDA in Russian 8 Aug 95 p 1

[Article by Aleksandr Golts: "Croats' Victory Becomes Political Defeat for World Community"]

[FBIS Translated Text] As a result of a large-scale offensive the Croatian Army has captured a large part of Serbian Krajina, a self-proclaimed republic that emerged following the collapse of Yugoslavia in 1991 in Serb-inhabited areas of Croatia.

In the four years since then Zagreb has tried on several occasions to forcibly "reintegrate" these areas. But now, the day after the Serbs put forward what international observers considered quite acceptable proposals at the talks in Geneva, the Croats have waged an offensive. They had a five-fold advantage in terms of manpower and equipment, which guaranteed success. As a result the Serbs suffered a real military catastrophe. Combat-capable formations were withdrawn to Bosnian territory. Tens of thousands of refugees flooded there too. Serbian Krajina has ceased to exist.

But disaster did not only befall the Serbs. It also befell everyone trying (or pretending to try) to help the peoples of former Yugoslavia reach a peaceful settlement. The fall of Knin is just a link in a chain of cause and effect that brought about the Yugoslav tragedy.

First, let me say a word about the causes. After the West unequivocally set about using bombing raids to force the Bosnian Serbs "into peace" on the Contact Group's terms, after the U.S. Congress decided to lift the embargo on arms shipments to the Bosnian Muslims, everyone expected a full-scale bloodbath to begin in Bosnia. However, the bloodbath began in Croatia. But it did not begin before the West had quite unequivocally taken up an anti-Serb stance. It began after NATO members agreed to their air force using Croatian airfields for the coming operation in Bosnia. Finally, the offensive took place after the Security Council had blocked Moscow's resolution condemning Zagreb's attempts to resume the strong-arm confrontation.

Such a blatant policy of double standards is continuing even now when UN soldiers are dying as a result of the Croatian offensive as well as civilians. The West is by no means rushing to scramble bombers when the Croats capture a city whose security was guaranteed by UN decisions. Had the Serbs demolished "blue helmet" observation posts, an attack would not have been long in coming. However, even now U.S. aircraft have found an opportunity to bomb a Serb radar. Meanwhile the U.S. secretary of state has made no secret of the fact that the Croatian offensive might create more favorable conditions for talks.

It is hard to talk about Moscow's policy. The feverish diplomatic activity that occurs every time the West decides to use force by no means make up for the inconsistency and reluctance (or inability) to clearly formulate its aims. And attempts to provide the Serbs with support and at the same time not fall out with Western partners have resulted in their ceasing to take Moscow seriously. Let me remind you that quite recently our diplomats regarded as a success the promise that the Croatian foreign minister seemed to have given in Moscow not to use force. Today you can easily see what that success was worth.

Now let me say something about the possible consequences. The Croatian offensive was effectively provoked by the West's policy. But the idea that you could rapidly bring the conflict to an end by supporting one of the parties thereto is not just cynical but also mistaken. Now all the parties to the conflict have had their belief that a settlement can be reached by means of negotiations completely undermined. Everyone has seen that they can only guarantee their rights by military means.

Amid the military defeat clashes have now worsened in the Bosnian Serb camp. Their political leader Karadzic tried to relieve General Mladic, who is considered a more rational leader, of his troop command. In response Bosnian Serb army generals effectively refused to obey Karadzic. It is not clear who will win this confrontation. But something else is clear: The war in former Yugoslavia did not end with the defeat of the Krajina Serbs.

Belgrade will quite possibly have the last word. Throughout this period official Belgrade has refrained from military intervention. It is becoming clear that people there take an extremely grave view of the promises made by Moscow and representatives of the international Contact Group to relax the international sanctions in the event of the Federal Republic of Yugoslavia's exercising a restraining influence over the Bosnian and Croatian Serbs (these promises look good in the light of Croatia's actions). But how long will Yugoslav leader Milosevic be able to curb the pressure of public opinion, which is unambiguously demanding direct military aid for the Krajina Serbs? Particularly now when every day is bringing increasing evidence of the refugees' sufferings.

Thus, a truly universal war threatens to be unleashed in the center of Europe. And what is particularly sad is that the world community will be directly responsible for it.

Defense Ministry Laments Lack of Budget Funding

MM0808130495 Moscow KRASNAYA ZVEZDA in Russian 8 Aug 95 p 1

[Report by Russian Federation Defense Ministry Information Directorate: "Why Army Is on Starvation Rations"]

[FBIS Translated Text] Under the Russian Federation Law "On the 1995 Federal Budget" spending on the Armed Forces' organizational development and upkeep was set at 45.6 trillion rubles [R] (excluding pensions and Russian Federation Ministry of Atomic Energy spending). That represents 35.5 percent of the amount requested by the Ministry of Defense — R128.7 trillion (including R7.8 trillion in arrears owed to the military department as of 1 January 1995).

But even these minimal amounts have not arrived in full or on time. According to the Main Directorate for the Military Budget and Funding, Armed Forces spending of R5.2 trillion envisaged in the budget for the first half of the year has remained unfunded. The Finance Ministry has failed to fully allocate even the amounts prescribed by its funding plans (arrears totaled R2.5 trillion in the first half-year).

Additional expenditure involved in the performance of the military department's assigned tasks is not taken into consideration in Defense Ministry funding. Thus, the Defense Ministry has spent R1.7 trillion of its current funding on measures to restore constitutional order in the Chechen Republic.

In accordance with the Russian Government decree of 6 April 1995 the Defense Ministry needed R3.3 trillion to index-link pay and wages. But it only received R2.2 trillion.

The debt problem has not been resolved. As of 1 July 1995 the Defense Ministry owed over R9.4 trillion to suppliers for output and services and also in respect of Russian Army personnel and employees' wages.

During the first half-year 30 percent of servicemen received pay around one month in arrears. In July one in two servicemen received money late and Black Sea Fleet personnel have so far not been paid for June or July. Today R1.0 trillion is required to pay off wage arrears, but this money is not being allocated by the Finance Ministry.

The fact that a large proportion of funding (59.7 percent) has been postponed to the second half of the year clearly does not match the Army's and Navy's real requirements. Preparations for winter, seasonal procurement of agricultural produce, and goods deliveries to garrisons in the Far North and Far East require a great deal of outlay during the first half of the year. However, the Defense Ministry currently does not have enough money to buy food, clothing, or fuel and lubricants.

Seeking funding opportunities the Defense Ministry is forced, with the approval of the Finance Ministry, to take such extreme steps as asking commercial banks for loans.

Of late legislative and executive organs, including the Defense Ministry, have received countless appeals from representatives of the public, veterans, soldiers' mothers, and members of servicemen's families urging them to create the normal material conditions for Army and Navy activity. The Defense Ministry is doing everything it can to ensure this, but the resolution of this highly acute problem primarily depends on stable and adequate funding for the Armed Forces.

Problems Maintaining Budget Viewed

LD0808115995 Moscow ITAR-TASS in English 1115 GMT 8 Aug 95

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW, August 8 (ITAR-TASS) — Reasonable sufficiency in defence spending can be achieved only if the state strictly controls the forming and implementation of the military budget, expert from the Centre of national security problems and international relations Boris Zhelezov told Tass on Tuesday.

Participants in the current discussion of the 1996 national defence budget are touching on problems which have become common to Russia, Zhelezov said.

These include the high inflation rate and, therefore, the unpredictability of GDP and the budget assets; the non-coordination of the Economics and Finance Ministries on the one hand and the Defence Ministry on the other over the required amount of defence funding; the ineffective structure of the draft military budget to be submitted to the Federal Assembly of the Russian Federation for approval; at last, the absence of legal instruments guaranteeing the timely payment of funds allocated to the maintenance of the Russian Armed Forces and the purchase of military equipment.

It is out of the ordinary that for the third consecutive year, the military budget is being adopted with a six month delay. The military do not publicly explain what they need the money for.

Under the present social situation, especially strict control is needed over the payment of money allowances to servicemen and wages to civilians employed in the military and industrial complex, Zheleznov said.

It is time to fully implement the democratic procedure of the forming and implementation of the military budget. It will be effective only if all concerned sides reject the old methods when everybody requested larger allocations in the belief that less would be given, the expert said.

The required sums for national defence spending should be itemized by independent experts who would present the real figures needed for the country's defence and security, Zheleznov said.

Defense Plants To Make Parts for Foreign Firms

LD0808155295 Moscow INTERFAX in English 1345 GMT 8 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 8 (INTERFAX) — Taking foreign orders for components would resolve the problem of under-capacity operations. This proposal was made on Tuesday at the round-table conference on foreign economic activity held at the Reforms Fund by Aleksandr Umnov, Deputy Director of the Main Economics Research Center.

According to him, currently, Russia's defense plants work at 25% of capacity at best, bringing them to the brink of collapse. They can be saved only by working under subcontracts for small foreign companies interested in making products requiring a lot of materials.

According to Umnov, manufacturing components for foreign companies will not only save Russia's defense industry from ruin, but also make it possible to start manufacturing end products with the trade mark of foreign clients by means of expanding the list of components. The Defense Industry Committee and some banks intend to create, by the end of this year, an exchange for such subcontracts. The goal is to make it possible to saturate the domestic market with products enjoying high demand.

According to experts from the Defense Industry Committee, plants producing military equipment and electronics stand to benefit the most from such an arrangement.

Molniya-3 Communications Satellite Launched

LD0908051595 Moscow ITAR-TASS World Service in Russian 0233 GMT 9 Aug 95

[By ITAR-TASS correspondents Anna Bakina and Viktor Gritsenko]

[FBIS Translated Text] Moscow, 9 Aug (ITAR-TASS) — At 0621 Moscow time today, from launch pad No 43 of Plesetsk Cosmodrome, combat detachments of the Military Space Forces (MSF) of the Russian Federation carried out the launch of a Molniya-M booster rocket carrying a Molniya-3 communications satellite.

As the ITAR-TASS correspondents were told at the press center of the MSF, the spacecraft was put into a high-elliptical orbit with an apogee of some 40,000 km, and a perigee of some 500 km. The Molniya-3 has a guaranteed life enabling it to operate for a period of three years.

Today's launch of the rocket booster was the 1,470th in the space biography of Plesetsk.

Interbol-1 Satellite Launched, Reaches Orbit

LD0408111195 Moscow ITAR-TASS in English 1010 GMT 4 Aug 95

[By Anna Bakina and Viktor Gritsenko]

[FBIS Transcribed Text] MOSCOW, August 4 (ITAR-TASS) — The Interbol-1 research satellite, launched from Plesetsk cosmodrome by Russian Space Defence Forces (SDF), has reached an orbit with the following parameters which are close to the planned ones: orbital period — 91 hours 42 minutes, orbital inclination — 62.8 degrees, the maximum distance from the Earth's surface — 193 km, and the minimum distance from the Earth's surface — 796.7 km, a spokesman at the SDF Press Centre has told ITAR-TASS.

The Czech subsatellite Magion-4, which was launched together with the Interbol-1, has separated from it 9.5 hours after the launch and embarked on an independent flight to carry out scientific research.

Purpose of Project Detailed

MM0408151395 Moscow PRAVDA in Russian 4 Aug 95 pp 1-2

[Report by Anatoliy Pokrovskiy: "Wonders of the Skies. Satellites Catch 'Solar Wind'"]

[FBIS Translated Excerpt] [passage omitted] Last night the "Interbol" international program, which involves the study of active processes in the Earth's magnetosphere, began to be implemented from the Plesetsk Space Center.

Admittedly, right now it is still not known whom one should thank for launching the automatic satellites, especially those developed by means of extensive international cooperation with the involvement of Russia, Austria, Bulgaria, Hungary, Britain, Germany, Greece, Italy, Canada, Kyrgyzstan, Cuba, Poland, Romania, Slovakia, Finland, France, Ukraine, Uzbekistan, the Czech Republic, and Sweden. Therefore we will draw your attention to the scientific part of the project.

As you know, as a result of nuclear reactions on the sun, streams of hot plasma known as the "solar wind" constantly flow out of our source of light at a speed of several hundred kilometers per second. On encountering Earth's magnetic field these streams flow around it forming a plasma field — the magnetosphere. It has a complex but fairly stationary structure, whose "magnetotail" extending hundreds of thousands of kilometers stores magnetic energy, which from time to time develops into magnetic storms.

A great deal of the above became known as a result of space research, but by no means everything. If we want to understand the kind of planet on which we live and how its existence and longevity are linked with the nature of the solar system as a whole, we need a new approach to the study of the physical processes taking place in Earth's magnetosphere and the interplanetary environment. And that is what the Interbol project provides.

Technically the project goes like this. Two pairs of satellites are to be launched into high-apogee (that is, very extended) polar orbits around the Earth. The first — Interbol-1 and the Magion-4 subsatellite — are to be placed in an orbit with an apogee of around 190,000 km and a perigee of 500 km and a period of four days. The second pair — Interbol-2 and Magion-5 — are to be put into a somewhat less extended orbit with a period of around six hours. The project is unique in that, as well as studying global phenomena in near-earth space, the intricate structure of the phenomena will be studied by compiling data provided by the main satellites and their subsatellites.

It remains to add that the Interbol satellites were developed on the basis of our Prognoz by the Lavochkin Science-and-Production Association while the Magion subsatellites were produced in the Czech Republic with the assistance of Russian and Austrian specialists. The Russian Academy of Sciences Institute for Space Studies has been given responsibility for directing the scientific project overall. Thus, the first pair of satellites were launched on schedule 3 August. The second pair are to be put into orbit in a few months.

Federal Assembly

Ilyukin: Constitutional Problems With Yeltsin Edicts

LD0808155095 Moscow INTERFAX in English 0145 GMT 8 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 8 (Interfax) — Chairman of the Duma Security Committee Viktor Ilyukhin sees a number of contradictions with the Constitution in both the presidential decree on the presidential administration and the one on the Chief Security Department.

Ilyukhin sent a letter to President Boris Yeltsin Tuesday saying that the provision allowing the administration to incorporate government bodies directly subordinate to the president contradicts Article 10 of the Constitution which declares the independence of legislative, executive and judicial bodies. In addition, Ilyukhin stressed, the administration is not a body of government but simply an office, a staff helping the president work.

Commenting on his letter for Interfax, Ilyukhin stressed that under the presidential decree of January 10, 1994 the ministries of defense, interior and foreign affairs, the Foreign Intelligence Service and the Federal Security Service are directly subordinate to the president.

"If we follow the logic of the new decree, all these bodies might also be incorporated in the presidential administration," Ilyukhin said.

As for the decree on the Chief Security Department, it describes the department as being in operational subordination to the Presidential Security Service. In Ilyukhin's opinion this is an indication of judicial incompetence in as both services are now federal executive bodies and neither can govern a body of equal status.

Ilyukhin Assails Prosecution of Journalist

LD0808155695 Moscow INTERFAX in English 0145 GMT 8 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 8 (Interfax) — The chairman of the State Duma security committee Viktor Ilyukhin (of the Communist Party faction) believes that it is absurd "to suspect or accuse journalist Yelena Masyuk from the NTV television company of sheltering a criminal or failing to inform on him following her interview with the leader of Chechen militants Shamil Basayev. [no end quote as received]

According to the information obtained by Interfax's parliamentary correspondent, this is stated in a letter Ilyukhin sent to the office of Russia's prosecutor general on Tuesday.

He qualified such actions as "discrediting the office of prosecutor general in the eyes of the Russian people and the civilized community as a whole, and declaring war on the news media."

Ilyukhin called for "taking immediate steps to stop the disgraceful and disgusting campaign against a journalist, who earned the TV viewers' respect long ago."

The excuse for the move of the office of Russia's prosecutor general was an interview given by Basayev to Masyuk in Chechnya after his raid on the town of Budennovsk in Stavropol Territory, where his terrorists had taken a large number of hostages. More than 100 people, largely civilians, had died as a result.

Regional Affairs

Reportage on Chechen Talks, Accord, Implementation

Talks Continue, Dudayev Urges Offensive

MK0908093095 Moscow SEGODNYA in Russian 9 Aug 95 p 1

[Report by Mariya Eysmont: "Dzhokhar Dudayev Calls For War To Victorious End. Prisoner Exchange Postponed Again"]

[FBIS Translated Text] Talks are continuing in Groznyy between working groups of experts tasked with discussing a package of political questions. The sides, however, have yet to start in on the main question of the Chechen Republic's status. According to the working group of Dudayev's supporters, discussing the republic's status is outside their competence. The sides also continue to fine-tune technical details of the implementation of a military agreement already signed, but the long-awaited exchange of prisoners and forcibly detained persons has been postponed once again over their lists, which have not been agreed upon.

Moreover, the Chechen delegation has voiced concern over "attempts to replace the Russian side in the talks with a delegation of Salambek Khadzhiyev's government of national revival." As a member of the Dudayev supporters' delegation told INTERFAX, "we are not against the participation in the talks of Khadzhiyev's supporters as part of the Russian Government delegation rather than as a separate delegation, because these people came to power and hold it exclusively with the help of Russian bayonets."

While the Russian side is vigorously pushing the signed peace accord concerned with the military package, Dzhokhar Dudayev continues to agitate his supporters for a war to the victorious end. The former Soviet general, who several days ago officially recognized the understandings reached at the talks, once again changed his mind and is again inclined to solve all questions militarily. Addressing a rally in Tangi, the president of Ichkeria announced that at the present moment his units are beginning the final stage of preparations for a large-scale offensive on the federal troops' positions, which is going to take place "in the near future," and he even gave the precise date of the offensive — 7 to 8 August. To all appearances, this is not just a threat. According to information of the command of the united group of federal troops, the fighters, supporters of Dudayev, have been concentrating for a third day running in the areas of Rushni-Chu, Assinovskaya, Sleptsovskaya, and Sernovodsk, as well as in the Groznyy suburbs. The fighters' redeployment, according to the information of the federal troops, is taking place under the pretext of surrendering their arms. Furthermore, Dzhokhar Dudayev is trying to persuade field commanders that talks are futile and that new military actions are necessary against the Russian troops. It is, however, unlikely that most of the field commanders will follow Dudayev at a time when Aslan Maskhadov, tremendously popular with the militiamen, is personally participating in the disarmament process and has announced the arrival of peace in Chechnya.

Maskhadov Pledges Adherence to Accord

LD0908112795 Moscow ITAR-TASS in English 1040 GMT 9 Aug 95

[By Tamara Zamyatina and Nikolay Kalintsev]

[FBIS Transcribed Text] MOSCOW, August 9 (ITAR-TASS) — Aslan Maskhadov, co-chairman of the monitoring committee for the implementation of the Russian-Chechen military accord and Chechen military commander told TASS on Wednesday that he would strictly adhere to the deal in spite it is a "heavy burden" for him.

"The war has just started for me. Earlier I fought only one side, whereas now I have to do with four (sides) at the monent, because there are groups in Chechnya which reproach our delegation with betrayal and instigation," Maskhadov said.

When asked to specify the opposing groups, he particularly named supporters of Groznyy Mayor Bislan Gantemirov and field commander Ruslan Labozanov.

In his own words, Maskhadov intends to act independently of Dudayev, chairman of the Chechen Government of National Revival Salambek Khadzhiyev and head of the Chechen Committee of National Accord Umar Avturkhanov.

"I know that I will meet a lot of obstacles during the implementation of the military accord, but I am ready to go through with it to the end," Maskhadov said stressing that he would do it "even if Dudayev himself, Avturkhanov and Khadzhiyev or the whole world go upside down".

A great deal of preparatory work that Maskhadov himself carried out in the villages of Zandak and Shali, prove the consistency of his line.

Earlier, Zandak proclaimed itself the first settlement in Chechnya from where peace will spread to the republic; and Shali on Monday hosted a meeting of federal army generals, representatives of the Organisation for Cooperation and Security in Europe and Chechen field commanders.

"I am 100 percent sure that the military agreement complies with the interest of both the Russian side and, in the first place, the Chechen side, because we all are convinced that no one will win this war," Maskhadov said explaining his stance.

Maskhadov said that militants, returning from their mountain hideouts to lowland villages and saying that administrative power belongs to them, constitute a threat to peace in Chechnya.

"It must not be done, it will trigger another war. It is necessary to vest with power those who enjoy the people's support, not Dudayev's followers or oppositionists," he said

Maskhadov recommended to hold meetings of all residents in every Chechen settlement so that people could elect heads of administration, militia commanders and public representatives.

These groups, together with members of the monitoring committee and OSCE [Organization for Security and

Cooperation in Europe] officials would register weapons and hand over a part of them to militia units. The rest might be bought out form civilians and taken to the military commandant's office, according to Maskhadov's plan.

Maskhadov severely criticized all politicians who are posing obstacles to the implementation of the military deal for fear of losing their posts.

Dudayev's followers are afraid that the population will elect oppositionists their leaders. Khadzhiyev and Avturkhanov's men, consequently, do not want to give way to Dudayev's supporters.

Maskhadov according to the "Dudayev's supporters vs oppositionists" principle and forget the feud. [sentence as received]

Accord Committee Theatens To Withdraw

LD0908145995 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1330 GMT 9 Aug 95

[FBIS Translated Text] "The agreement concluded between the federal government and Dzhokhar Dudayev's supporters on military issues proposes first and foremost an exchange of maps (of mine fields and so on), exchange of information, and exchange of prisoners. Subsequently it is proposed to set up so-called military home guards to defend villages and districts. We are not in favor of these," Umar Avturkhanov, chairman of the Chechnya Committee for National Accord, told Ekho Moskvy radio station.

"These home guards, no matter what sort they are, no matter whose supporters they are, are fighters. The republic must be disarmed, nobody should be given arms. There are structures with armed units — subunits of the Ministry of Internal Affairs and the Federal Security Service, the courts, and the prosecutor's office — which are there to restore order. They should deal with these matters and should bear arms, the rest should be disarmed," Avturkhanov believes.

"This will lead to confrontation, to a revival of the regime of Dzhokhar Dudayev, to armed clashes, and the unleashing of civil war, he declared.

"We have issued a protest on this and sent it to both sides: If the agreement on the military package is not fulfilled in every aspect — in terms of place and time — then we refuse to take part in the peace negotiations on the political and the economic packages," Avturkhanov stated.

Arms Surrender Begins in Zandak

MM0908101595 Moscow KRASNAYA ZVEZDA in Russian 9 Aug 95 p 3

[Report by Vladimir Gavrilenko: "Talks in Groznyy: Hopes Remain. Agreement on Military Issues Paves Way to Political Accords"]

[FBIS Translated Text] The small Chechen village of Zandak on the very border with Dagestan has suddenly become the focus of mass media attention. The reason was the arrival of Lieutenant General Anatoliy Romanov, commander of the group of federal forces in Chechnya, and Aslan Maskhadov, chief of staff of the Dudayev armed formations. Or rather the purpose of their visit: To carry out, shall we say, the "high-profile" disarmament of the guerrillas. But this regrettably failed to take place — the Chechens find it distressing to part with their weapons. And that causes concern, given their national traditional attitude to weapons. If a gun is hanging on the wall in the first act of a theater performance, as you know, it fires during one of the subsequent acts....

Nevertheless Aslan Maskhadov once again urged citizens to surrender their weapons "because they do no one any good" — as he put it. But the question is whom is he addressing. A peaceful villager may be deeply moved and might of course hand over an old shotgun. But television cameramen in Zandak made wonderful efforts: We saw close-ups of weapons that did not bear the slightest resemblance to hunting guns....

Lt. Gen. Anatoliy Romanov in turn promised that he "will prevent violence if peace is established in the village." He urged villagers to show wisdom "to ensure that peace spreads around Chechnya from the village of Zandak like a wave." The villagers liked the idea and declared their village the population center "where peace began to be established on Chechen soil." Well, that is healthy — the desire for peace is coming from the Chechen heartland itself. By day even Dudayev's guerrillas peacefully coexist with the federal forces. Moderate optimism is starting to join our indestructible faith in people's diplomacy. But I am afraid of one thing — that the slight wave of optimism will turn into a wave of complacency. The selfsame cameramen, who evidently went all out in Zandak, continually showed pictures of Dzhokhar Dudayev in his general's uniform. There is every indication that he is once again taking the initiative not only in the hope of political survival but also — in all probability — of military revenge. Since armed groups are once again massing in some areas. The population centers of Roshni-Chu, Assinovskaya, Sleptsovskaya, Sernovodsk, and even suburbs of Groznyy are being cited. One look at the map of Chechnya is enough to realize that a simultaneous attack in these areas will not only seriously exacerbate the overall situation, but will also place the group of federal forces in a difficult position. Although nighttime shelling has indeed diminished, it is tempting to call this lull alarming. Since this lull and those previously associated with a moratorium or talks mean gaining time, which has always been Dudayev's most valuable gain. The talks in Groznyy are now taking place between working groups. The Chechen and Russian groups are led by Dolkhan Khazhayev and Vladimir Zorin respectively. Both are voicing restrained optimism again. Although Khazhayev made an extremely unexpected statement to the effect that mutual understanding can be discerned on political issues and the work is proceeding fruitfully. The fact that a group of representatives of the Committee of National Accord and the Chechen Government of National Revival led by Zaynda Choltayev has joined in the work of the expert groups is also gratifying. As you know, they did not sign the agreements on the military issues since they do not consider themselves a warring side. But a political agreement cannot be drafted without them.

The sides will once again have to make compromises. They demonstrated a desire and an ability to do this during the work on the military agreement. Will they once again be able to square the two sides' positions?

List of Russian Prisoners Supplemented

LD0808131195 Moscow ITAR-TASS in English 1249 GMT 8 Aug 95

[By Tamara Zamyatina and Nikolay Kalintsev]

[FBIS Transcribed Text] GROZNYY, August 8 (ITAR-TASS) — Two more Russian servicemen were put today on the list of servicemen forcibly detained by the Dudayev supporters. Aslan Maskhadov, Chief of the Staff of the Dudayev forces and co-chairman of the commission for observing the agreement on the set of military issues, put them on the list and informed ITAR-TASS of this.

So there are now eight servicemen on the list of prisoners supplied by Maskhadov to the Russian side.

According to the chief of the Dudayev staff, his representatives continue the effort to spot places in various Chechen villages where Russian prisoners may be kept.

The deadline for prisoners' exchange envisaged by the agreement on the set of military issues expired on Monday, August 7. However, the expected exchange of prisoners has not taken place, since the sides are not satisfied with the lists supplied. The Russian delegation at the talks in Groznyy, unlike the Dudayev side, published in the local press the full list of detained Chechens. There are 1,325 names on the list.

Stalled POW Exchange Threatens Talks

LD0808203995 Moscow ITAR-TASS in English 2030 GMT 8 Aug 95

[FBIS Transcribed Text] GROZNYY, August 8 (ITAR-TASS) — Chechen military leader, co-chairman of the commission for the implementation of the military agreement Aslan Maskhadov added names of two Russian servicemen to the prisoners list which had been turned over to Russians.

Maskhadov told ITAR-TASS that eight servicemen are now on the list.

Maskhadov pledged his aides would continue to find out whereabouts of Russian soldiers and officers who are kept in captivity in Chechen villages.

August 7 was the deadline for an exchange of prisoners under the recent military agreement.

However, the exchange was failed on that date and today as the sides found each other's lists inadequate.

Unlike Chechens, the Russian side had published in Chechen newspapers a list of 1,325 Chechens who are in detention in Russia.

A senior spokesman for the command of federal troops in Chechnya, Colonel Aleksandr Georgiyev, told ITAR-TASS that the stalling prisoner exchange threatened to wreck the peace talks.

"Having received the list of 1,325 (Chechen) prisoners from the command of the federal forces, the Chechen side has not made a similar move until now," Georgiyev said.

Delegation Demands Information on POW's

LD0908095795 Moscow ITAR-TASS World Service in Russian 0904 GMT 9 Aug 95

[By Tamara Zamyatina and Nikolay Kalintsev]

[FBIS Translated Excerpt] Groznyy, 9 Aug (ITAR-TASS) — Today in Groznyy the Russian Government delegation very strongly raised the question of the exchange of POW's, which is to be carried out by Dudayev's party under the military agreement, Nikolay Semenov, head of the territorial directorate of the federal executive bodies in the Chechen Republic, told an ITAR-TASS correspondent.

Semenov said Lieutenant General Anatoliy Romanov, commander of the joint group of federal forces in

Chechnya, "today demanded that the Chechen side should find out as soon as possible the whereabouts of 54 Russian servicemen that had gone missing." [passage omitted]

Ingushetia Denies Armed Chechen Enclaves

LD0808185595 Moscow ITAR-TASS in English 1830 GMT 8 Aug 95

[By Ruslan Maysigov]

[FBIS Transcribed Text] NAZRAN, August 8 (ITAR-TASS) — The press service of the president of Ingushetia denied the information circulated by some mass media on Tuesday that Chechen armed formations have reportedly concentrated at Sleptsovskaya settlement. A spokesman for the presidential press service told ITAR-TASS that this information does not correspond to reality.

According to the data of Ingushetia's Interior Ministry, supplied specially on request of the press service, no movements of armed people, moreover their concentration in Ingushetia's zones bordering on Chechnya, have been registered.

President Ruslan Aushev of Ingushetia ordered the republican Interior Ministry to reinforce protection of public order in the Sundhz region, where Sleptsovskaya village in situated. The measures taken for this purpose include a special regime of movement, additional patrolling, increase of the number and mobility of police units and their transfer to an enhanced regime of service.

The head of the presidential press service, Kureysh Agasyev, believes that all these measures exclude the possibility of penetration and staying of armed rebels on the territory of Ingushetia.

Gunmen Leave Dagestan for Chechnya

MM0908091595 Moscow IZVESTIYA in Russian 9 Aug 95 p 1

[Unattributed report under the "From Our Correspondents and News Agencies" rubric: "Chechen Gunmen Let Out of the 'Boiler'"]

[FBIS Translated Text] An IMA-PRESS correspondent has learned that the group of Dudayev's gunmen, which was blockaded in the Dagestani mountain village of Khoroda at the end of last week, surrendered its weapons and was allowed to pass without hindrance into Chechen-controlled parts of Ichkeria. This was done under the accord reached with federal troops through the mediation of Khamad Kurbanov, Dzhokhar Dudayev's representative.

Timing of Chechnya Elections Causing Controversy

LD0808210395 Moscow Russian Public Television First Channel Network in Russian 1700 GMT 8 Aug 95

[Report over video from Groznyy by correspondent Mikhail Aleksandridi from the "Vremya" newscast]

[FBIS Translated Text] Nineteen parties and movements have already embarked on preparations for elections in Chechnya, while the possibility of elections being held there is still debated. Though none of those people know exactly when they will be called to cast their votes, they believe that sooner or later the elections will definitely happen.

[Salambek Khadzhiyev, prime minister of the National Rebirth Government — indentified by caption] We have initially set the election date for 5 November but everything will depend on disarmament. We will have no problems if detachments for the protection of settlements which are to be set up will be protecting stability, order, and the settlements, and not any of the authorities or political forces.

[Aleksandridi] Meanwhile, by no means everyone on both sides of the Chechen conflict believes that the elections are well timed. They say that people should be given time to calm down after what happened.

[Umar Avturkhanov, head of the National Accord Committee — identified by caption] If conditions necessary for the elections are absent, the elections should be postponed until these conditions are created. Another thing is that if one takes into account the current development of the events, I believe that we will never reach the elections.

[Aleksandridi] This view is being shared by those who fear that the elections can completely break up Chechen society and aggravate the situation in the republic. Needless to say, this option can hardly satisfy the people who already find themselves on the brink of a civil war.

[M. Muradov, editor of GROZNENSKIY RABOCHIY — identified by caption] A regular analysis of public opinion carried out by our newspaper shows that only those politicians will succeed who are prepared to compromise for the sake of nationwide accord. Unfortunately, current leaders are unwilling to go beyond their declarations. [video shows Groznyy street scenes, damaged houses, office interviews]

Duma Passes Kaliningrad Special Economic Zone Law

WS0908093095 Kaliningrad KALININGRADSKAYA PRAVDA in Russian 25 Jul 95 pp 1, 7

[Report by B. Nisnevich: "The State Duma Supports Our Law"]

[FBIS Translated Excerpt] The Law on Kaliningrad Oblast, after several years of wandering through the parliamentary corridors and offices of the "White House," has been passed by the State Duma in the first reading. It was the fourth draft, called "On the Special Economic Zone [SEZ] in Kaliningrad Oblast." [passage omitted]

These are my notes of the draft's discussions. A. Puzanovskiy, deputy chairman of the State Duma Committee on Economic Policy, presented the bill:

"While drafting the bill, we proceeded from the principle that Kaliningrad Oblast remains a subject of the Russian Federation. This bill does not provide the oblast with any special privileges regarding territory — the oblast remains within the legislative system of the Russian Federation, as well as within all possible forms of legal regulations, from banking through customs activities.

We also proceeded from the fact that this oblast needs to be Russia's window to Europe; and not only Russia's but also that of CIS countries. The status of a special economic zone within the oblast's boundaries will be the best solution, taking into account modern geopolitical realities.

We tried to approximate the standards of those special economic zones that already exist in the world, in particular in China. The special regime of the Shenzhen [name as transliterated] zone in the Hong Kong region served us as a model. In addition, we proceeded from the notion that our zone needs to have sufficiently strong legal and customs boundaries, so that the special regime would not spread over continental Russia.

We were guided by federal and regional interests."

M. Zadornov, chairman of the State Duma Budget Committee said the following:

"Making this extremely important decision, I would like to draw the deputies' attention to the fact that a number of issues contradict the legislation. An entire oblast is being removed from the Russian Federation customs zone. This violation of customs regime directly contradicts the Customs Code. Secondly, the Kaliningrad Oblast Duma, along with the administration, performs the functions of the Special Economic Zone Administration; this is at variance with the principle of division of power. Investment forms and taxation in the zone are not envisioned by the legislation. Finally, the rules of entry and exit are in clear disagreement with civil legislation. Naturally, this vital problem must be resolved, but by drafting a federal law on special economic zones. Meanwhile, the given law openly contradicts the legislation."

A. Puzovskiy replied:

"I expected this kind of opposition from anyone but not from you. One cannot create a special economic regime without a number of privileges and advantages. This is an elementary principle.

"Now let us talk about details. Kaliningrad Oblast is not being removed from common customs regulations: We point directly to the fact that the customs regulations cover the oblast's entire territory. It is simply that the regime will be changed. As for the taxes, we also clearly point out that the Russian legislation remains valid. Finally, about entry and departure procedures. You are wrong in the sense that the Russian legislation is excluded here. The single legal system remains. The administration, however, has the possibility to regulate entries and departures into or from the special economic zone. This is a common situation in all special economic zones. Just imagine that this does not occur. What will happen?!

"As for the constitutional rule of dividing power, we openly suggest that the administration and the Oblast Duma each act within their competence.

"I would like to remind our deputies that a presidential decree has been operating since May; the decree has tasked the government with drafting the given bill. We are acting as a catalyst here. We do not challenge the government, and are ready to cooperate with the potential draft that it could introduce."

A. Sebenkov, government representative of the Russian Federation, said as follows:

"Essentially, this draft speaks not about the special zone in Kaliningrad Oblast, but about the Kaliningrad Oblast as a special zone. This creates specific relations between this subject of the Russian Federation and the Federation itself, which contradicts part of the fourth section of the fifth Russian Federation Constitution.

"Next, in accordance with the Constitution, a special status can be adopted, theoretically. But in this case, these changes need to be put in the form of a law, after coordination between a federation subject and the Russian Federation.

"There are also many other remarks regarding this draft, but the two ones cited are enough to remove the first reading of the draft from the agenda."

A. Puzanovskiy then took the floor:

"Esteemed deputies, esteemed Andrey Sebenkov, as for your remark on contradicting the Constitution, I would like to draw your attention to the fact that the law's introduction underlines that Kaliningrad Oblast is an enclave; hence, we are trying to base the technical resolution of the draft precisely on the special and unique territorial character of Kaliningrad Oblast. Therefore, though the mentioned contradiction formally exists, we will come to an agreement by passing the bill on a special economic zone."

I. Rybkin announced:

"Esteemed colleagues! I am going to put the question to vote: To pass the given law in the first reading.

"The electronic display shows the results of voting. There are 220 votes 'for.' To have the law passed, no less than 226 votes are required. I. Rybkin flings aside a pencil out off annoyance. He obviously did not expect such a result.... Has everyone voted?"

At this moment, A. Aparina rises. She asks to conduct a roll-call vote. A new result shows 231 deputies who are "for"! Deputies from the Kaliningrad delegation, having experienced stress, stand up and shake each other's hands.

It was a rare, unprecedented case that the State Duma supported a separate region.

Now, there is time to carefully analyze the voting results: 243 deputies participated; 231 of them supported the law, 10 were against, and two abstained from voting.

Who supported us, based on the voting results?

The entire "Women of Russia" faction was "for" us. There were 21 of them. They all came and voted. E. Lakhova, as our readers may remember, had pledged support, and she kept her word. Practically all the deputies of the Agrarian Party voted "for" — 45 people — and no one against. M. Lapshin, who met with representatives of the Kaliningrad delegation, also did not make empty promises.

We did not receive expected support from "Russia's Choice." This faction is comprised of 52 people. Thirteen of them voted "for," four voted "against," and 35 deputies did not vote, including Ye. Gaydar.

The Democratic Party of Russia gave seven supporting votes out of 10 (S. Govorukhin and S. Glazyev were among them). Three deputies did not vote.

The law received 39 votes "for" from the Communist Party of the Russian Federation. One deputy abstained and seven did not vote. A. Aparina, G. Zyuganov, cosmonauts G. Titov and S. Sevastianov supported the law.

The Liberal Democratic Party of Russia gave 33 votes, three deputies were against, and 19 did not vote (among them V. Zhirinovskiy).

The "Stability" deputy group provided 25 votes "for," which was the number of faction members present at the session. L. Zhadanova, who had visited Kaliningrad with the group's co-chairmen, had put a lot of effort organizing support for the Kaliningrad deputies.

The "Russia" deputy group, consisting of 36 people, granted 16 votes. Its other 20 members did not vote.

Nonaligned deputies voted as follows: Some 11 people were for, one was against, and one abstained; 45 deputies did not participate in voting. G. Yakunin was among those who supported the law.

The Party of Russian Unity and Accord, represented by 17 deputies, gave five votes "for." Twelve of them did not vote, including S. Shakhray.

The "New Regional Policy" group voted "for" with 15 deputies; 16 people did not vote.

The "Apple," [Yabloko] so to speak, did not fall on us. No one was "for" and two people were against (M. Zadornov and V. Igrunov). Out of 27 people, 25 did not vote. G. Yavlinskiy, who had promised to think, apparently did not arrive at the thought to vote.

So, the draft federal law "On the Special Economic Zone in Kaliningrad Oblast" was passed in the first reading. Now, the law will be forwarded to the president, the Federation Council, committees and commissions of the State Duma, the government, representative bodies of the Russian Federation subjects, the Supreme Court of the Russian Federation, and the Supreme Court of Arbitration to induce suggestions and remarks.

The State Duma Committee on Economic Policy needs to consider suggested remarks and to submit the draft to the Duma for the second reading.

So far, only the first step has been made. However, the law has departed into its difficult journey. This gives hope. The Duma's heavy doors opened slightly for the law.

Minister Kulikov Visits Stavropol Kray

LD0808155195 Moscow INTERFAX in English 1345 GMT 8 Aug 95

[FBIS Transcribed Text] STAVROPOL, August 8 (INTERFAX) — Lieutenant-General Anatoliy Kulikov, Russia's interior chief, arrived in Stavropol on Tuesday.

An INTERFAX reporter was told at the Stavropol Region's administration that during his two-day stay Kulikov intends to familiarize himself with the situation in the region, above all in its eastern part and areas bordering with Chechnya.

Kulikov is also expected on Tuesday to name a new regional interior chief to replace Lieutenant-General Viktor Medveditskov, sacked from this post after the Chechen militants' raid on Budennovsk in June.

INTERFAX has learned that Medveditskov will head Stavropol's branch of the Russian Interior Ministry Academy.

The name of the new regional interior chief has not been divulged so far. Meanwhile, according to a well-placed source, the most likely candidates to this post are Colonel Gnes, the commander of the Pyatigorsk-based interior troop division, and Colonel Shipilov, who has been involved in fighting in Chechnya with the forces of the North Caucasus Military District.

After the official part of his trip to the Stavropol region, Kulikov will head to Zheleznovodsk for a vacation.

N. Ossetia, Ingushetia Discuss Refugee Repatriation

LD0808154895 Moscow INTERFAX in English 1345 GMT 8 Aug 95

[FBIS Transcribed Text] NAZRAN, Aug 8 (INTERFAX) — Delegations of the southern Russian autonomies of Ingushetia and North Ossetia met in Ingushetia's capital Nazran on Tuesday to discuss how to implement President Yeltsin's decrees on eliminating the consequences of the 1992 conflict between the two republics.

The negotiation came as part of an agreement the presidents of Ingushetia and North Ossetia signed in Vladikavkaz on July 11.

Our correspondent reports the delegations to be led by the prime ministers of North Ossetia and Ingushetia, Yuriy Biragov and Mukharbek Didigov.

Repatriation of Ingush refugees to North Ossetia's Prigorodnyy region, provision of safety guarantees and rebuilding of their housing is the centerpiece of the talks.

Ingushetia will seek the repatriation of more than 7,000 Ingush families to 15 settlements in Prigorodnyy region and the North Ossetian capital Vladikavkaz they had to flee following the 1992 armed conflict, a government source in Nazran told INTERFAX.

He said that over 700 flats belonging to Ingush families were taken over by Ossetians who, in turn, had to flee from South Ossetia after the conflict between Georgia and South Ossetia.

Ingushetia Vice President Boris Agapov told INTERFAX that both the negotiation and any talk on the theme helped towards "rapprochement, an easing of tension and removal of obstacles thought up by politicians" between the people of Ingushetia and North Ossetia. He said all supporters of regional peace would lose if the Nazran talks failed.

Housing Complex for Servicemen Completed in Rostov

MM0908085695 Moscow KRASNAYA ZVEZDA in Russian 5 Aug 95 p 1

[Report by Anatoliy Borovkov under the "KRASNAYA ZVEZDA and News Agency Correspondents Report" rubric: "Over 1,500 Families Will Acquire Housing"]

[FBIS Translated Text] Rostov-na-Donu — A residential district has been built on the outskirts of Rostov-na-Donu for the German firm of Hochtief by Glavbolgarstroy [expansion unknown] construction workers. Its ceremonial opening took place 4 August. Precisely 1,549 excellent apartments with an improved layout, a school with 33 classrooms, two swimming pools, and three sports halls, a kindergarten-combine, a health center, an officers' club, stores — this whole complex is now at the disposal of the families of homeless officers from Rostov Garrison.

The district's opening ceremony was attended by Colonel General Anatoliy Solomatin, Russian Federation deputy minister of defense and chief of construction and troop billeting; Colonel General Anatoliy Kvashnin, commander of the North Caucasus Military District; and representatives of the local administration and of public organizations.

Sources of Hepatitis in Novosibirsk Examined

954F2980A Novosibirsk VECHERNIY NOVOSIBIRSK in Russian 2 Aug 95 p 2

[Article by Yevgeniy Bocharov, professor, laboratory chief at the Institute of Regional Pathology and Pathomorphology of the Siberian Branch of the Russian Academy of Medical Sciences: "Trust, But Verify"]

[FBIS Translated Text] At the scientific-practical conference just held in Moscow, it was stated that, as distinct from the countries of Europe and the United States, Russia can by no means be considered a good region with respect to infection of the population with viral hepatitis.

In our oblast alone, 2,750 cases of hepatitis have been discovered, but of the five known types of viral hepatitis (A, B, C, D, and E) we have officially reported cases only of A and B.

Therefore, I find it necessary to make a few comments on the article entitled "Mystery Epidemic...." (VECHERNIY NOVOSIBIRSK, 21 June 1995). Unfortunately, the figures the correspondent used concerning the infection of the population with hepatitis (5 percent) were clearly understated. The principle related by the author for determining ways by which the hepatitis B infection spreads is not very easy to understand. I agree that sexual contact is a very important way of spreading hepatitis, but under our conditions, so far the leading role in the spread of hepatitis B and C infection is still played by medical instruments.

Nor can one share the optimism of V. Bukin, chief of the therapy section of the mayor's commission on public health, which was voiced in the aforementioned article. Fortunately, the majority of patients do indeed recover. But hepatitis has dangerous consequences (since not all patients get rid of the virus). Some 5-10 percent of the those suffering from the disease advance to the chronic form, which involves various disturbances of the functioning of the gastrointestinal tract and also the development of cirrhosis of the liver and primary liver cancer.

The situation is exacerbated by the fact that these consequences are also possible in cases where the carrier of the virus does not have symptoms. And this, as was already noted, is encountered at least four to five times more frequently than symptomatic illness. The main sources of the infection are not individuals with acute hepatitis B (4-6 percent of the patients are infected from them) but the large "mass" of carriers of the virus. They are the ones who are the main source of infection in the family (transmission through sexual contact seems to predominate here) and in medical facilities. Hence the staggering picture of hepatitis B infection in medical facilities of Novosibirsk, where every fourth one of the almost 3,000 patients last year was infected during the process of treatment in a hospital or polyclinic.

A considerable number of people have been infected during dental treatment. There is only one explanation for this—inadequate processing and sterilization of instruments, insufficiently checked blood from donors, etc. In this connection I should like to appeal to patients of oral surgeons. Before allowing them to work on your teeth, find out if the doctor has sterilized the drill and tip he is using inside your mouth. Inspect them to see whether there is an indication on the drill that the producer recommends sterilization with steam and heat. If this is not there, and on the tip there is also leftover residue from the teeth of the preceding patient, it is better to refuse treatment. The only reliable means of sterilizing the drill and the tip is with an autoclave.

So far, we have been speaking about hepatitis B. No less important is the recently identified virus of hepatitis C. This is only the second year since this infection was discovered in Novosibirsk. A considerable share of the population has been infected with this virus. According to figures from the WHO [World Health Organization] 50-70 percent of the patients infected with the hepatitis C virus come down with slowly developing or asymptomatic hepatitis, which in three to 20 years (according to the latest figures, mostly after seven years) ends with the development of cirrhosis or liver cancer. Therefore, it would not be a great exaggeration to say that the fate of individuals infected with the hepatitis viruses B and C is equally tragic.

An immense amount of work has to be done to break the chain of transmission of infection during various medical procedures both in hospitals and in polyclinics, including dental ones.

A considerable amount of attention must be devoted to the blood transfusion service. Unfortunately, today the state of affairs is such that in the foreseeable future there is no guarantee of safety during the transfusion of blood or preparations made from it. After all, at some point things will reach a state where patients infected with hepatitis B or C as a result of blood transfusions or other medical procedures will be able to legally demand compensation for damages. In France, two patients have already been paid a million francs each for simultaneous infection with HIV and hepatitis.

The most reliable means of preventing hepatitis B is vaccination. A new generation of vaccines obtained by genetic engineering using methods described in VECHERNIY NOVOSIBIRSK on 20 June of this year are widely used throughout the world. Russia already has a small amount of experience in using one of these vaccines. The question of the contingents or the groups of the population to be vaccinated is a very important one.

The first in this group are medical workers of many specialties, including service personnel—they come into contact with sick people every day. A no-less-significant group is made up of individuals who are not medical workers but who, because of the nature of their work, come into contact with people who could be infected. These are primarily personnel and inhabitants of homes for children and the elderly, workers and inhabitants of jails and other corrective labor institutions, police workers, firemen, and rescue workers. Individuals who make frequent trips abroad should also be included in the risk group.

The next group is made up of individuals who receive blood or blood products and also those who receive injections. Incidentally, find out from those who give injections when they last sterilized their needles and whether they do it at all.

Finally, the third risk group may be the largest, and it includes individuals with loose sexual behavior; drug addicts who share needles; people who share toothbrushes, razors, and other objects of hygiene; people with tattoos; and representatives of contact sports.

Under our conditions it would be expedient to begin vaccination in childhood and mainly among children born of infected mothers and also medical workers. As for the other groups of the population, if there is an opportunity to be vaccinated, we must be sure to take advantage of it. Let us hope that such an opportunity will appear in Novosibirsk in the near future.

Tatarstan To Clear Debts, Resume Budget Payments

*MM0908111595 Moscow PRAVDA in Russian
9 Aug 95 p 4*

[Report by Nikolay Morozov: "Kazan Switches Off Tax Meter"]

[FBIS Translated Text] Kazan — On 5 August, Tatarstan suspended tax payments into the federal budget — this was reported to journalists at a news conference by republic Prime Minister Farid Mukhametshin.

"Repeated meetings at the Russian Federation Finance Ministry and Defense Ministry and attempts to sign a joint document on clearing federal debts for 1994 have not, unfortunately, been successful," he said. "And I have signed a Republic of Tatarstan Cabinet of Ministers directive on clearing the debts by withholding the payment of 96 billion rubles [R] into the federal budget. True, so far the directive has been signed in respect of the wages total and not the total sum of debts — this amounts to approximately R45 billion. As soon as we have recovered this sum we will resume payments into the federal budget in full. I think that we will get it done within a month. In even less than a month we will pay last year's wages to defense enterprises. The Tatarstan Government was forced to take this step to preclude incidents of a social nature in defense industry collectives. There should be no sanctions from Moscow because in principle everybody was informed prior to our move."

Background, Significance of Sverdlovsk Poll

*MM0808183395 Moscow IZVESTIYA in Russian
4 Aug 95 p 2*

[Article by Dmitriy Badovskiy and Aleksandr Sokolov: "IZVESTIYA Analytical Center: Russia Far From the Kremlin. Rossel or Strakhov? 'Ural Republic' or 'Russia Is Our Home'?"]

[FBIS Translated Text] The Sverdlovsk Oblast gubernatorial elections fixed for 6 August 1995 bring together a complex set of federal and regional problems. The gubernatorial elections can as a matter of fact lay claim to being another burning topic in Russian politics, wherever they might take place but especially if they take place in this oblast. After the topic of the parliamentary and presidential elections.

The demands to elect and not appoint krays and oblast governors has long been the cause of friction between the federal Center and the regional leaders. The president has declared a moratorium on holding elections of local administration heads, but the regional leaders are doggedly trying to get it repealed. Those pursuing this most energetically are Nizhniy Novgorod Oblast Governor Boris Nemtsov and former Sverdlovsk Oblast Administration Head Eduard Rossel. It was they who succeeded in getting the matter settled.

Setting aside the threat of Russia's fragmentation and new regional economic "wars," Moscow's reluctance to hold elections of local bosses on the eve of the forthcoming federal election campaigns is caused in part by the fear that the regions will gain "too much independence," which will be reinforced by the corresponding mandate. What is more the regional leaders' position is capable of having a very significant influence on the results of the parliamentary and Russian presidential elections in the territories "under their authority."

The regions are in turn afraid that as a result of the "top people" being replaced and Moscow's political orientation changing after the presidential elections, there may be a purge of cadres in the regions. It is the cohort of appointed governors who are actually most vulnerable to attacks by the local opposition and various political forces in the center.

Proponents of the elections are counting on the support of the heads of the national republics who consider that before raising the question of giving the republics and oblasts equal status, it would not be a bad thing for the governors to win general public support in the regions.

In any case, a final decision about the question of gubernatorial elections is being postponed until the "Sverdlovsk experiment" is complete. Here the main element in the plot is the conflict between the two ideas for the region's future development — the idea of the present oblast administration head, Strakhov, and of his predecessor, now oblast Duma chairman, Eduard Rossel; the idea of a Ural Republic (Rossel), and of a greater role for the regions but within the framework of the current Russian Federation Constitution.

It will actually be these politicians who will compete during the elections.

The background to their current squabble has been marked by drama. From more or less the very start, clashes between the Duma and the oblast administration have been rife.

It had been intended that elections would be held in April, but the oblast administration intervened, followed by Presidential Staff Head S. Filatov. He stated that the government and the president do not consider it expedient to hold elections of administration heads this year.

The discussion dragged on for several months. Finally, the president signed an Edict "On the Election of the Sverdlovsk Oblast Governor" 11 May, after which the long-awaited day was named.

Having been at one time oblast administration head, Rossel almost became president of the Ural Republic. Once proclaimed by the Sverdlovsk Oblast Soviet, it "foundered" on the presidential edict, by which it was dissolved and E. Rossel was removed from office.

The Ural Republic did not come about but, Rossel did not abandon his idea.

In the opinion of many observers, the "Ural separatist" — as his opponents here and in Moscow call Rossel — is attempting to win over moderate opposition organizations in the Russian regions by playing on the differences between the administrations and legislative organs in the Federation components. At the May congress of the "Transformation of the Urals" association, the task was set of drawing up its own list to take part in the federal elections. It is thought that in trying to transform "Transformation of the Urals" into "Transformation of the Homeland," Rossel planned to use this nonparty organization to put pressure on the oblast administration and the Moscow authorities. However, this idea also did not come to fruition.

Eduard Rossel's main opponent, Aleksey Strakhov, is in actual fact leader of the local branch of the "Russia Is Our Home" movement. In this way, the gubernatorial elections will not only be a rehearsal for the Duma elections, but will in general be the first nationwide test of the "solidity" of "Russia Is Our Home."

Surveys show that the electorate is weary of the "oblast-level revolution." It is expected that between 25 and 40 percent of voters will participate in the elections.

The sociologists predict the lowest level of participation in Yekaterinburg and the highest in rural areas.

The popularity rating of Strakhov — who has proved himself as an efficient economic manager and prudent politician — remains at the 30-35 percent mark. His main rival's rating, which at the beginning of the year was 50 percent, has, according to some figures, fallen to 25-30 percent. Rossel is, however, very popular in the rural areas, which cannot be said about him in Yekaterinburg, where the elections may simply not take place due to the voter apathy.

According to a report by the YEVRO-AZIATSKIYE NOVOSTI news agency, workers at a Yekaterinburg conversion enterprise — the "Vektor" production association — who have not been paid for four months now, are calling for the elections to be boycotted while threatening to burn themselves alive.

Irkutsk Oblast Employment Service's Work Reviewed

954F2982A Irkutsk VOSTOCHNO-SIBIRSKAYA PRAVDA in Russian 3 Aug 95 p 4

[Unattributed report: "Basic Work Results of the Irkutsk Oblast Population Employment Service for the First Half of 1995"]

[FBIS Translated Text] Some 101,700 individuals applied to the Employment Service. The number of applicants reflected a 1.5-fold increase over the same period of last year.

With assistance from the Employment Service, 30,100 individuals found employment over the first six months of 1995—53 percent of those who applied for job placement.

The Employment Service placed 25,569 individuals on the unemployment register, 2.5 percent more than for the same period last year.

As of 1 July 1995, the Employment Service had registered 34,580 persons as unemployed, of whom 29,063 were granted unemployment compensation.

Composition of the unemployed is as follows: women—69.5 percent, youth aged 16-29—38.9 percent, Group 3 invalids—1.9 percent, refugees and persons forced to resettle—0.2 percent, rural inhabitants—26.8 percent.

The number of persons registered with the Employment Service as of 1 July 1995 represents an increase of 2,398 individuals (7.5 percent) over the level at the beginning of the year, and an increase of 7,044 individuals (25.6 percent) over the level for the same period of last year.

The monthly rate of unemployment rise during the first half of 1995 decreased significantly from the rate observed for the same period last year. A 1.2-percent drop in numbers of registered unemployed was observed in May as compared with the April level.

The level of unemployment (ratio of registered unemployed to able-bodied population of employable age) in the oblast as of 1 July 1995 is 2.4 percent. The level of unemployment rose 0.6 percent over the level for the same period of last year.

More than double the average oblast unemployment index was observed in the cities of Nizhneudinsk (7.4 percent) and Ust-Ilimsk (6.0 percent), and in the following rayons: Katangskiy (13.9 percent), Kirenskiy (8.6 percent), Ust-Ilimskiy (7.6 percent), Nizhneudinskiy (6.0 percent), Chunskiy (6.4 percent), Nizhneilimskiy (5.5 percent), Tayshetskiy (5.5 percent), Mamsko-Chuyskiy (5.4 percent), and Kachugskiy (5.0 percent).

As of 1 July 1995, the Population Employment Service had information regarding enterprise requirements for 7,773 employees.

Six persons not engaged in labor activity are competing for each job vacancy in the oblast.

Over the first six-month period, 2,526 individuals had concluded participation in social projects; 438 individuals are presently engaged in such participation. The main varieties of social project involved caring for war and labor veterans and introducing hygiene and sanitation measures to population centers.

Temporary work was found for 13,993 individuals, 13,669 of whom were minors. Contracts were concluded with unemployed individuals for the organization of 63 private businesses.

In January-June 1995, the oblast Employment Service directed 1,995 individuals for training (a 1.6-fold increase over the same period of last year), while 2,564 individuals completed training over the accounting period (a 2.0-fold increase), and 816 are continuing such training. Following the completion of vocational training, jobs were found for 1,408 individuals, or 55 percent of those enrolled.

Thirty-six families were resettled to rural localities, comprising 117 persons, 57 of whom were employable. The resettlements took place in 13 agricultural rayons of the oblast.

Organized intra-oblast recruitment was effected for 452 individuals; 124 persons were accepted by construction organizations, the river fleet, and the agro-industrial complex.

Twenty-five decisions were issued by oblast population employment organs for the introduction of foreign manpower. A total of 1,383 foreigners were brought into oblast enterprises, including 665 for construction of industrial facilities and 718 for vegetable growing. This labor force included 321 citizens of the People's Republic of China, 70 from Yugoslavia, eight from the Democratic People's Republic of Korea, and 165 from the CIS.

Assets in the amount of R68.1311 billion [rubles] were credited to the oblast Population Employment Fund.

R51.4519 billion of Employment Fund assets were spent.

In the first half of 1995, a competition among employer designs to maintain and create jobs was held in 24 territories of the oblast. Financial assets amounting to R13.845 billion were put forward for the competition, including R4 billion from the oblast portion of the fund.

Competition results were tallied in 21 territories, while the effort was declared null and void in four of them due to a lack of properly registered employer designs.

As a result of the competition, 1,049 additional jobs will be created at 45 oblast enterprises and 548 will be maintained. Enterprises received R6.117 billion from the State Population Employment Fund in support of job positions, including R2.141 billion in nonreimbursable assets for the establishment of 474 jobs for unemployed citizens especially in need of social protection.

Irkutsk Mayor Govorin Responds to Local Concerns

954F2983A Irkutsk VOSTOCHNO-SIBIRSKAYA PRAVDA in Russian 3 Aug 95 pp 1, 3

[Interview with Irkutsk Mayor Boris Aleksandrovich Govorin by Marina Rybak under the "People We Have Elected" rubric; place and date not given: "The Mayor Is Not Old Man Khottabych"]

[FBIS Translated Text] "The mayor is not Old Man Khottabych"— this aphoristic phrase was pronounced at one of the latest sessions of the city's administrative committee, by Boris Govorin himself, the people's elected head of Irkutsk. Truly, a city boss is not an omnipotent magician who has only to pluck a hair out of his beard to have the fairy-tale power to get rid of all problems. The city has those in spades, as they say. They have to be resolved logically and in the conditions of living reality. It is just that the simple townsman who voted in the leader of the city government does not have the time of day for this. His reasoning is elementary: I voted, I cast my ballot for this specific person here, for this individual—that means I will hold him responsible for everything.

It was after eight o'clock. The regular work day was beginning. The head of the city government, as always energetic and collected, had taken his working place. The telephones had already taken up their accustomed ringing. The secretary walked in.

"Boris Aleksandrovich, a visitor is here to see you," and she named a name unfamiliar to the mayor. "He introduced himself as a voter. He has a letter for you."

"Oh, really? Ask him to come in."

So, into Boris Aleksandrovich's office appeared Dmitriy Anatolyevich Avdeyev, a resident of Irkutsk, and handed him his citizen's appeal, where he asked him to give an account of what he had accomplished in the post of mayor from the moment he had been elected.

So, the population demands greater openness in the work of the city head; they want to know his personal position in assessing this or that situation or problem. Finally, it is desirable for the population to have information on whether he is sufficiently mobilized and brisk in his responsible position.

The "Irkutsk" page is prepared to more or less regularly slake the city-dwellers' thirst for information. Today we publish our first conversation with the mayor. Henceforth we ask that specific questions for Boris Aleksandrovich be addressed to the editorial office, at VOSTOCHNO-SIBIRSKAYA PRAVDA, "Irkutsk" page, 109 Sovetskaya Street, Irkutsk; or telephone 27-13-21. The mayor will answer you from the pages of our newspaper.

[Rybak] Boris Aleksandrovich, one of the fundamental theses of your pre-election program was your intention to stand up for the interests of the city and its residents at various levels, and first of all at the regional level. Has anything been accomplished in this direction?

[Govorin] Quite a fair amount. It is no secret to anyone that our mutual relations with the oblast authorities are taking shape in a complicated way. A mythical image was formed for many years of Irkutsk as a parasite city, abusing its proximity to the regional leaders and to the regional treasury, and just about fattening at the expense of its neighbors. As difficult as it was to break this stereotype, we have broken it. Irkutsk has a fully functional economy, which makes it possible to guarantee not only the resolution of current tasks, but also long-term development. We have never sat on anyone's back, and we are not doing so now. Facts more eloquent than any demagogy prove this. In 1994, we paid taxes into all forms of the budget—both the federal and the oblast—about 800 billion rubles [R]. While in our own, city, "pocket" there remained from that only R344 billion. We have no priority among the cities of the Angara region in terms of financing. Meanwhile, this is not right. Judge for yourself. Being an oblast center, Irkutsk is obliged to "carry in its pack" a weighty additional burden. Every day, 10,000-15,000 guests with various needs and tasks come into the city by electric train, and 5,000-7,000 by suburban bus route. Located here are dozens of oblast and national institutions, where visitors not only from the entire oblast, but also from other krays, study, are published, consult, and so on. The city hosts numerous delegations, and is becoming an arena not only of regional and interregional events, but sometimes of republic-wide and even international ones. What does this mean? This is an enormous extra load on our infrastructure—on the passenger transport, on the road beds, on the communications networks.... But the standardized estimates on the provision of the city's vital functions do not take any of this into account. But logic demands that all of this be acknowledged and be reflected in Irkutsk's guaranteed right to certain compensations. Compensation of those expenditures that it incurs in connection with its position as the oblast capital. Remuneration for extra work.

[Rybak] Are you speaking about documentary recognition of the status of oblast center?

[Govorin] That is absolutely right. We managed to get a separate article in the oblast charter, mentioning the question of Irkutsk as its administrative center. Here, of course, I was aided by my position as a deputy to the Legislative Assembly. For that I give my constituents a big thank-you. A draft law is being born on the regional capital. We prepared it back in 1992 and proposed to discuss it at the oblast soviet. At that time, our initiative was called ahead of its time. Now it is obvious to everybody that the moment for the adoption of such a document has arrived. The Government of Russia made an analogous decision with regard to Moscow as the state capital. Every year in the federal budget, funds are provided for Moscow for the carrying out of its functions as the capital. The provinces are thus far lagging behind in the understanding of social logic. And still, the old positions of the provincial leaders have been shaken. I am sure that the law on Irkutsk as oblast center will be adopted.

[Rybak] Well, put your trust in the law, but keep your powder dry.... You have also tried to improve the structure of the city government. What came of that?

[Govorin] First of all, the administrative apparat has been reduced by 200. A united administration has been created in the city. It is being built on the territory-branch basis. The territories and branches are headed by the mayor's deputies. We are overcoming the superfluous running back and forth of citizens along the city-rayon hierarchies, and the duplication of the functions of rayon and city bureaucrats. The maintenance and repair of housing and the provision of services and utilities, the sanitation system, and work with the population have remained within the competence of the okrugs. All the remaining tasks are resolved by the administration's branch committees. A unified budget has been formed in the city.

[Rybak] In Irkutsk there is a relatively even social climate. We have avoided serious strikes and upheavals in our complicated time. This, probably, demands some kind of efforts from the local authorities?

[Govorin] Fairly labor-intensive ones, although no one sees them, like any preventive work. We constantly have to keep in check the consequences of the economic destruction and the miscalculations in state policy. To resolve complicated economic tasks of major industrial enterprises cast up to the whim of fate, to "pull" light industry out of technological and financial collapse, to create and preserve work positions for the disabled. We support production and the labor market through tax breaks and fiscal credits. With their assistance, we provided technical re-outfitting of a dairy complex and a meat-processing and packing plant, and of the Novo-Leninskiy bakery; we introduced modern technologies there and are developing a market infrastructure. The city residents immediately felt this through new goods on the store shelves.

[Rybak] Your voter in his letter asks what, good and bad, Irkutsk residents can expect in the near future.

[Govorin] For each year, we determine the priorities for our work. For 1995, these are: a worthy 50th-anniversary Victory celebration; reconstruction of the old schools No. 26 and No. 43 and their putting into operation; construction and putting into operation of a dissecting room; the creation within City Clinical Hospital No. 1 of a modern cardiology department; and the construction of a veterans hospital. And, of course, further work on the improvement of transportation service to city residents.

This year a trolley bus will go to Sinyushina Gora. For the time being along the Eighth Sovetskaya—Marshal Konev route. Work on this line is nearing completion. A little later, we will put into operation the Zhukovskiy-Marshal Konev route; this will help to significantly improve the provision of transportation to residents not only of Sinyushina Gora but also of Pervomayskiy and Universitetskiy. Neither will we forget other Irkutsk residents. By autumn we will purchase new buses and trolley buses for 12 billion received from the transportation tax.

Well, and what is there that is bad, or at least inconvenient? Now stoppages in the water supply are unavoidable. After all, the city is actively preparing for the upcoming winter. This is extensive and complex work. In order that our heat sources function reliably during the heating season, it is necessary to stop the flow of hot water—and along the right bank, of cold as well. There is nothing to be done here.

But we will do this with careful preparation and timely information to Irkutsk residents about the upcoming work.

[Rybak] Here is one phrase from Dmitriy Avdeyev's appeal: "One does not want to criticize you harshly, but, excuse me, among the people the bad is remembered and the good forgotten." Tell us, do you yourself know what you can be criticized for among the people?

[Govorin] I do. They can and ought to criticize first of all for the operation of the housing fund. We have as yet not been able to raise it to the proper level. There are both objective and subjective reasons for this. There are many flaws in the management of the housing services. And another basis for justified censure is the streets and courtyards along which you and I walk. Their sanitary condition. That, of course, does not stand up to criticism. We will struggle with this. We are constantly regulating street trade, and we have elaborated a statute on the maintenance of city lands and on pets. And you journalists could help us, could report to the population on the letter and the spirit of these documents, could relate how they are being realized in practice. Somewhere, perhaps, the city services are falling short. And somewhere the city residents' somnolent habits are really getting in the way. You cannot get by without that.

[Rybak] The voters are interested, Boris Aleksandrovich, in how your health is; are you in good enough shape to carry your load of responsibility?

[Govorin] I am healthy. As healthy as a 48-year-old man can be who takes a cool view of alcohol and has never smoked a single cigarette in his life. I cannot complain. It seems that it is not worthwhile to try to "write me off" on grounds of health. [end Govorin]

Workers in the mayor's staff know very well that he works tirelessly for 10 to 14 hours, is exceedingly organized, in his decisions is efficient and precise, and has a marvelous memory and an enviable attention span.

In the evening, on leaving his office, as a rule, he takes home with him business papers and citizens' letters. So Boris Govorin's work day ends after 0100 in the morning.

He himself believes that the position of the city head is not a path that one can travel "from one whistle to the next." It consumes a person all 24 hours a day. It happens not infrequently that even in the middle of the night he is awakened by a sudden alarm bell. After all, the life of the city does not stand still. And all of that life, work and festal, midday and moonlit, to a great extent depends on him.

Maritime Council of 'Russia Is Our Home' Elected

OW0908034895 Vladivostok Radio Vladivostok Network in Russian 0210 GMT 4 Aug 95

[From the "Lunch Hour Break" program]

[FBIS Translated Text] The Maritime Kray administration press department reports that the Maritime Kray organization of the All-Russian "Russia Is Our Home" social and political movement has held its inaugural meeting. Seventy-nine of the 91 delegates elected from 36 territorial and public organizations took part in the conference. The council of the Maritime Kray Organization of this movement numbering 21 people was elected at the conference. They include representatives of leading branches of the fishing, timber, and machinery industries, the Nakhodka free economic zone, banks, insurance companies, Cossacks, and other formations. Kray Governor Yevgeniy Nazdratenko was elected chairman of the council. Conference participants recommended the following people for inclusion in the federal roll of candidate deputies to the state duma: Anatoliy Zabalotnikov, chief of the kray administration department for struggle against corruption and crime; Leonid Velchinskiy, head of Khorolskiy Rayon administration; Viktor Miskov, general director of the Dalnevostochnoye Morskoye Parokhodstvo [Far East Steamship Company] Joint Stock Association; Aleksandr Trindetskiy, specialist-expert of the apparatus of the Russian Federation president's representative in Maritime Kray; and Vladimir Titkov general director of Dalpribor [Far East Machinery] Joint Stock Association.

Delegates to the second congress of the "Russia Is Our Home" movement were also elected. They are kray Governor Yevgeniy Nazdratenko; Vice Governor Vladimir Kolesnichenko; Dmitriy Kovalevskiy, head of the Medtekhnika Joint Stock Association; Aleksandr Trindetskiy, specialist-expert of the apparatus of the Russian Federation president's representative in Maritime Kray; Stanislav Ovanesov, Maritime Kray Gosstrakh Joint Stock Company managing director; and Vladimir Kurilov, rector of the Far East State University.

Far East Customs To Acquire Patrol Boat Fleet

MM0908085995 Moscow KRASNAYA ZVEZDA in Russian 5 Aug 95 p 1

[Report by Sergey Lvov under the "KRASNAYA ZVEZDA and News Agency Correspondents Report" rubric: "There Will Be One More Fleet — a Customs Fleet"]

[FBIS Translated Text] Vladivostok — Far East customs officers will soon get their own patrol fleet. The maritime customs officers will place the 12-mile zone under intensive control.

At the first stage it is proposed to equip this fleet with several small, fast launches capable of developing a speed of 30-40 knots (about 60 km per hour).

Economic Issues

Minister Panskov Comments on Revised Draft Budget

MM0808140795 Moscow KOMSOMOLSKAYA PRAVDA (Business Tuesday Section) in Russian 8 Aug 95 p 1

[Report by "Rosbizneskonsalting" under "Just the Figures" rubric: "Government Approves 1996 Draft Budget"]

[FBIS Translated Text] The draft's main parameters are as follows: Budget revenues for 1996 should total 329 trillion rubles [R] (15.7 percent of gross domestic product), expenditure should total R410.8 trillion, and the deficit should total R81.8 trillion (3.9 percent of GDP). Finance Minister V. Panskov noted that in relation to the initial Finance Ministry version there has been a reduction of both the income (by R14.9 trillion) and the expenditure (by R18.3 trillion) elements, as well as of the budget deficit (by R3 trillion). Commenting on these reductions, the Finance Ministry chief reported the government's doubts regarding the possibility of ensuring a higher level of income. At the same time Panskov drew the press' attention to the proposed increase in privatization revenues from R9 trillion in 1995 to R11 trillion in 1996. It is proposed to retain the noninflationary mechanism for funding the budget deficit but the amounts of domestic and foreign borrowing have been reduced, although compared with 1995 the domestic element is increasing and the foreign element is decreasing. Panskov linked this with the fall in the dollar exchange rate incorporated in the budget. According to Panskov it is R5,500 and has been calculated based on the current rate, taking account of the future inflation level. In the expenditure element, funds earmarked for investment whose volume was envisaged at the level of R27.7 trillion have been cut by R2.4 trillion. Nevertheless their proportion of GDP is increasing, Panskov noted. Twenty-two trillion rubles less will be spent on international activity. The budget's participation in the promotion of export-oriented production facilities, where it is proposed to make wider use of enterprises' own funds, will be more modest. Panskov specially stressed that expenditure on social needs has remained unchanged and has even increased. Similarly, the Armed Forces will be allocated R79 trillion instead of R50.8 trillion in 1995. Expenditure on the agro-industrial complex will not be cut in any case. The draft budget was approved in entirety and a week has been set aside for the finalization of details. The document will then be sent to the State Duma, Panskov said. At the same time he noted that Mikhail Zadornov, chairman of the Duma Committee for the Budget, Taxes, Banks, and Finance, spoke at a government session and on the whole assessed the document negatively. Panskov linked this with the approach of the elections and surmised that painstaking work on the budget with parliament lies ahead. The appropriate State Duma working group has already been formed and will start work in earnest in September.

Livshits Interviewed on Reform, Decisionmaking

MK0908083695 Moscow SEGODNYA in Russian 8 Aug 95 p 3

[Interview with Aleksandr Livshits, economic adviser to President Yeltsin, by Aleksandr Bekker under the "Opinion" rubric; in Moscow, date not given: "Aleksandr Livshits: I Dream That Reform Will Soon End"]

[FBIS Translated Excerpt] [Bekker] How did you become a presidential adviser? Did favoritism by any chance have a role to play in that appointment?

[Livshits] No, nothing of that sort has ever happened in my life. I studied market economics in my spare time for 15 years. I was told: What a whim, what do you need the U.S. Federal Reserve System for, what operations with treasury bonds on an open market are you talking about? Now, all that is on the agenda. In 1992 I dropped in on the presidential administration, its Analytical Center on Staraya Square.

[Bekker] Did you just go and offer yourself just like that?

[Livshits] Yes, a friend of mine worked there , and I went there for a month, just to try my hand. When the drafting of the first presidential message to the Federal Assembly began, I was invited here, to the Kremlin, to head a group of experts. About a year ago I was handed an edict appointing me a presidential adviser, but I went on doing what I had been doing before. Perhaps the only change is my somewhat higher status. [passage omitted]

[Bekker] Do you think that drastic changes have occurred in the economy while you have been working as presidential adviser?

[Livshits] Yes, to a certain extent. A securities market has sprung up from scratch. An infrastructure servicing it has been developing in great leaps. Lots of other things have emerged. [passage omitted]

[Bekker] Yavlinskiy has written recently that Russia is still unable to overcome the "background" inflation of 8-9 percent no matter what.

[Livshits] Yes, he is right in that regard. I only think that the background figures are much lower. As for Russia's CIS neighbors who have quashed inflation, God bless them, as the saying goes. Still, I have a feeling that everything is still in store for them. Generally speaking, I do not believe in parameters that do not go together: I read about a CIS country that has a budget deficit of 8 percent of GDP and monthly inflation of 1 percent. I do not want to suspect anybody of eyewash. There may actually be economic phenomena that are beyond me. But I do not understand how one can have 1 percent a month without a securities market and without relying on securities to pay off such a huge a deficit. Returning to Russia, let me note that financial stabilization according to world standards — with annual inflation of 10-20 percent — has, indeed, not materialized. In my opinion, however, Russia cannot be measured by a common yardstick. For me, the term financial stabilization — apart from monthly inflation, the deficit, and other figures — also includes long-term investment loans. The massive emergence of such loans would signal to me that financial stabilization in this country has really taken place, even if there were inflation of 3 or 4 percent a month, not 1 percent. [passage omitted]

[Bekker] I wonder, how are the most crucial presidential edicts brought to life? I happened to hear that Anatoliy Chubays's team was drawing up Edict 226, protecting the budget from lobbyists in profound secrecy. What role were you assigned in the process? To secure Boris Yeltsin's signature under the edict?

[Livshits] The scheme is more complex, and this happens every time in a different fashion. An edict is born out of the feeling that one economic measure or another is necessary. The necessity is then translated into an idea that is reported to the president. I can assure you that Boris Yeltsin did not learn of Edict 226 only when the paper was brought to him for signature. The same stands for the lifting of customs preferences. There were plans and memos with presidential notes. Then the document was sent to specialists who draw up the text, initially, a coarse, purely economic one. Then the lawyers stepped in, trying to transform the rough copy into something decent. Only after that did other forces, such as Anatoliy Chubays and many other people, including your humble servant, join in the fray. A whole range of edicts was improved at that level. Moreover, sometimes to improve means to cut down our proposals, so as not to assume excessive obligations. We call it the "speedy amputation" method. Of course, there also is an element of political decisionmaking in every edict. This rests with the president. For instance, the date on which the document should be made public. [passage omitted]

[Bekker] Apart from the fresh edict on share funds for small investors, what other measures will be taken by the authorities so as not to unbalance the budget and not to drive inflation upward by fall? Don't you have a feeling that we are on thin ice?

[Livshits] Since you brought up the share funds, the situation which the people are facing is like the one at a Soviet-era countryside cafeteria. There is cabbage soup, cutlets, and tea on the menu. That is, I can buy dollars with my money, accumulate them at home, and buy municipal bonds. And that's it: essentially, no choice at all. We have been preoccupied with that since January. We were certain that the "menu" should be enlarged as much as possible, and citizens should be told frankly: Certain commercial firms may offer more money, but there are high risks attached too. In these other places, however, it is safe, there are state guarantees here. Investment share funds are only the first step. The Central Bank is drawing up a plan for special investment deposits. The third element is state securities for individuals, savings bonds. There is a number of other projects to attract people's savings. We should not delude ourselves into thinking, however, that we will thus be able to channel all the savings into investment. Just like pregnancy does not occur from a simple conversation between a man and a woman, the fact of saving money does not automatically produce investment. The main thing at this stage is to offer the people as many methods of keeping their savings intact as possible. And everything should be done with precision: That is, while accumulating people's savings we should, metaphorically speaking, bind them with a pink ribbon with the words "for investment purposes" inscribed on it. Otherwise, you may save in such a way that things will never go as far as investment. Nonetheless, on the whole, I do not have a feeling that we are skating on thin ice. I have an idea about the money reserves that we have, about how much of it may flood onto the currency market. Of course, a fairly tight control over the budget on the basis of Edict 226 is imperative. Naturally, the ice is not one-meter thick, it has to be made thicker. This is what all our efforts are aimed at.

[Bekker] In that regard there has been talk about a draft government decree that calls for an increase in excise duties on gas and a regulation of prices and tariffs of natural monopolies, and also the lifting of Gazprom's tax breaks. This is not so much a fiscal but rather a political decision, isn't it?

[Livshits] I cannot say that Gazprom is our last reserve. There are some other reserves just in case. At the same time, however, given the difficulties of the second six months of the year, keeping Gazprom's capacities in reserve without certain losses for the economy would have been impossible, in my view. [passage omitted]

[Bekker] It turns out that reform has not yet ripened to satisfy the requisite conditions, has it?

[Livshits] Recently, reform has been proceeding at an extremely sluggish pace. The only exception is the securities market — and even that for the most part under Chubays's pressure, thanks to his organizational capabilities and his intelligence. As regards other sectors, it is dead calm there. To say nothing of agrarian reform — everybody has had enough of talking about it. Well, last year they cited the lack of a legislative framework. It is still insufficient even at this stage, but it has become incomparably more comprehensive. The reform, however, is making slow progress all the same. And this is disappointing, because, unlike 1992, horizons are now visible, but we are still dillydallying. Now take the reform of the state industrial sector. All regulatory documents were issued over a year ago, giving specific tasks, such as: To be implemented within a month. So what? How many government-owned enterprises have emerged a year later? None at all. Last year they said that there were no provisions for them in the budget. Okay, now this money is earmarked as a separate budget item. There are still no new state-owned enterprises, however, as there was none before. Progress in this area would allow many enterprises to operate much better.

Now, let's look at privatization. Do you remember how fiercely horns were locked over that last year? The State Duma spurned the State Program of Postvoucher Privatization just before its recess. The president introduced its main provisions by an edict — and this has been going on for the second year now. Where are tenders and auctions? Where is cash privatization? They have been contemplating the issue of treasury bonds for the public since January. Since January! And only now is an edict on savings bonds close to being issued. They call me from the government every day to rush me. I tell them: You had been procrastinating for six months, and now you want everything to be straightened out within two hours. And there are many such examples. A framework is in place, everything is in place. But there is no going forward, no real reform.

[Bekker] Well, you have always dismissed "scheming" theories. What is the matter then?

[Livshits] It seems to me that now we are actually entering a new stage of reform. I cannot agree with the passage of "Russia Is Our Home" [ROH] saying that the liberal stage of reform has been completed. Has everything been liberalized here? Alas, the regional authorities still regulate prices virtually everywhere. What are all these stages actually about? Will we move over to socialism after liberalism? I do not have anything against the ROH, but it seems to me that you should be more careful about using terms. As for the crux of the matter, in my judgment, reform will pass through two stages. The first stage involved a transition from a nonmarket economy to a primeval market economy, conventionally speaking. The stage when an enterprise director learned that the word "marketing" should be stressed on the first syllable has already been left behind. But the country can live for a fairly long period in the present-day primeval market, for two, three or, maybe, ten years. I do not rule out the possibility of a depression that reform may have to go through. The subtlety is that the first stage was in fact simpler. There was a social euphoria of bidding farewell to the past; the market was attracting everybody like a magnet. There were few of those who wanted to turn back, and they were weak, too. Now there are many of those who do not want to go further, and they are strong. This is the difference. [passage omitted]

[Bekker] It seems to me that reform has been obstructed by quasi-state structures — state committees and state commissions subordinate to the government that, theoretically, were set up only for a transition period.

[Livshits] The one thing most of them are preoccupied with at this stage is how to obtain a federally-owned block of shares for trust management or to become a holding company. They were set up for one year, but now they are in their third year already. How many applications they have filed requesting permission to be transformed into new ministries! Which is, on the whole, a fully reasonable line of conduct: In a market economy, a ministry is not an institution with a typewriter and a Stalin-era red pencil. This is an organization that has leverage to influence the business climate. Do you sense a difference? These would, as a matter of priority, start licensing everything so that nothing would explode, we would not be poisoned, and so forth. I do not know a single entity that would say: We see that in three years we are to become a small department of the Economy Ministry, so we are laying off redundant personnel. There are no such institutions. Everyone is moving either upward (toward becoming a ministry) or sideways (to become a holding company). [passage omitted]

[Bekker] Where do you think the country will turn?

[Livshits] I am not sure about the final outcome yet. If the trends described above gain the upper hand at the second stage of reform, we will be in for an assured depression. In theory, this is not lethal. You can live even with zero growth. Still, I want to believe that Russia has not yet exhausted its reform potential and that forces will emerge in it that will finish the effort.

[Bekker] Do you expect the current government to do so, or will this be a new political force?

[Livshits] This may not necessarily be a political force. For all their seemingly irreconcilable differences, politicians, factions, and parties sometimes display a striking degree of unity. Take, for instance, the State Duma vote on extending customs preferences. Before that it was believed that a unity of disparate political forces could be cemented by a public accord pact. In reality, however, they were cemented by the extension of customs preferences. Nearly all of them voted "Yes:" the leftists, the rightists, Zhirinovskiy's party, and Russia's Choice. [passage omitted]

[Bekker] You once said that you dream that reform will end soon.

[Livshits] Yes, this is my favorite expression. Reforms cannot last forever. After some time, an efficient economic mechanism must form. And we will start forgetting the word "reform." A normal, natural term for any country is economic policy. [passage omitted]

Lack of Central Bank Chief, Candidates Examined

MK0808105295 Moscow KOMMERSANT-DAILY in Russian 8 Aug 95 p 3

[Report by Andrey Bagrov: "Candidates for Post of Central Bank Head Have Yet To Be Named. President Has Decided To Bide His Time"]

[FBIS Translated Text] Boris Yeltsin has once again confirmed his unpredictability. Last week he surprised everyone who tried to predict his decision on his candidate for the post of Central Bank chief. The letter of the law obliges the president to submit a new candidate for the State Duma's consideration two weeks after the previous candidate was turned down by parliament, and proceeding from that independent experts started placing their bets on whose name would appear on the president's 2 August request. Experts thinking in legal terms could not foresee the decision made by the head of state: Boris Yeltsin decided to submit no candidate at all.

The president tasked his press secretary with announcing the decision, and Sergey Medvedev said that the president would not submit his proposals regarding a candidate for the post of Central Bank chairman until the end of the parliamentary recess. Boris Yeltsin believes, Medvedev said, that Tatyana Paramonova, who was appointed to the post by presidential edict, should continue fulfilling the duties of Central Bank chairman. The press secretary promised that the president will still submit a candidate for the post of Central Bank chairman later.

No reasons for this decision in strictly legal terms were given; nor could they be, because the Law "On Making Amendments and Additions to the RSFSR Law 'On the Central Bank of the RSFSR (Russian Bank)'" stipulates unequivocally: "If the nominated candidate is not confirmed, the president of the Russian Federation shall submit a new candidate within two weeks." Symptomatically, Mikhail Krasnov, presidential adviser on legal matters, turned down KOMMERSANT-DAILY's request to comment on the situation. The statement by Aleksandr Livshits, another aide to the head of state — on economic matters — to the effect that by taking a vacation until September, State Duma deputies made consideration of a candidate for the post of Central Bank chairman effectively impossible in the near future, albeit logical in itself, still does not make it possible to fit the presidential decision into a legal framework.

The State Duma's reaction began taking on specific outlines yesterday. According to information distributed in the morning, a special draft letter to Boris Yeltsin was submitted to the office of Duma Chairman Ivan Rybkin. The letter draws the president's attention to the breach of the law on the Central Bank.

If we forget for a moment the fact that Boris Yeltsin has found himself at loggerheads with the current legislation, another thing will also be evident: The president has not yet made up his mind regarding his nominee for the post of Central Bank chairman. KOMMERSANT-DAILY has learned that earlier Boris Yeltsin ordered that several factsheets on the background of potential Central Bank chairmen be compiled. According to KOMMERSANT-DAILY's source, apart from already familiar candidates (Yakov Dubenetskiy and Aleksandr Livshits), the documents also mentioned Dmitriy Tulin, former Central Bank deputy chairman, and even... Viktor Gerashchenko. Although some of them have said that they are not laying claim to the post, it will not be that simple to turn down an offer made by the Russian president. The main factor pointing to the possible emergence of a new candidate is that pushing the candidacy of Central Bank Acting Chairman Tatyana Paramonova through the State Duma would be virtually impossible. Despite his second defeat in a row, the president does have the right to nominate her yet again; but while being fully entitled to do so in legal terms, the president cannot but take into account the pitiable experience of his two previous attempts to do so.

On the other hand, it would be too early to give Paramonova up as lost. Even before 2 August, Russian and foreign mass media ran reports that leaked from the government staff saying that the president allegedly ventured to submit her candidacy once again. At the same time, the reports drew attention to Paramonova's successes during her 10-month stint as the head of the Central Bank: First of all, she takes credit for stabilizing the work of the Central Bank staff and taking the situation in the country's banking sector under control. Paramonova turned out to be a Central Bank head relatively obedient to the president and one pursuing a monetary policy that, on the key points, has been fully in conformity with the government's financial policies. For this reason, the effort to have her candidacy confirmed reflects not so much an appreciation of her personal qualities, but, rather, the ongoing fight about influence over the Central Bank. If the president "gives up" a person who has been orienting toward him like a compass needle that always points northward (and there have been several such occasions during the current president's term), the next Central Bank chairman, regardless of his personal leanings, will owe his post to the State Duma to a much greater extent.

There is a third option, representing a compromise of sorts, which has also been discussed in the financial community. According to this scenario, the president will submit a new candidate, but one agreed upon with Tatyana Paramonova.

Come what may, at present both the State Duma and the banking community are completely in the dark about the definitive presidential decision. In the view of Vyacheslav Zakharov, vice president of the Association of Russian Banks, however, this situation is fully logical if the stability of the Central Bank's operation is to be ensured. "The parliament cannot return to the consideration of this question earlier than October. Nominating a new candidate now would cause disorder and uncertainty at the Central Bank's top echelon," he thinks.

On the other hand, one cannot but admit that the procedure for confirming the candidacy of a full-scale Central Bank chairman, designed to bring certainty to the operation of the country's key bank, has so far brought about diametrically opposed results. The successes achieved by Tatyana Paramonova may come under threat in the fall, if, inspired by intrigues over the candidacy of the post of Central Bank chief, the uncertainty of market players comes into consonance with seasonal inflationary expectations and fears fueled by the upcoming entry into a new currency corridor.

Certification of Investment Projects Planned

MM0808134495 Moscow ROSSIYSKIYE VESTI in Russian 8 Aug 95 p 1

[Unattributed report: "Authorities To Stimulate Investment"]

[FBIS Translated Text] The Ministry of the Economy intends to introduce certification of investment projects competing for state financial support. According to Vladimir Kosov, deputy minister of the economy, the certification system in the draft Russian Federation Government decree on additional incentives for private investment envisages dividing up projects into several categories. In particular, production facilities aimed at meeting effective demand within the country can count on state support to the tune of 20 percent of their funding.

'Gazprom' Officials Deny Hidden Profit Accusations

MK0808112495 Moscow SEGODNYA in Russian 8 Aug 95 p 1

[Report by Rustam Narzikulov: "'Gazprom' Declines Accusations of Super-Prosperity. The Company Regards Fiscal Pressure as an Unwillingness To Replenish the Budget at the Expense of True Tax Cheats"]

[FBIS Translated Text] Yesterday, in a conversation with your SEGODNYA correspondent, representatives of the "Gazprom" Russian joint-stock company denied accusations by some members of the government that the company is concealing its financial state, being "exorbitantly prosperous" against the backdrop of a severe budgetary situation. It will be recalled that the Economy Ministry announced that there is a need to raise export duties from 2 to 5 ECU's, to boost the excise duty for gas sales from 25 to 35 percent, and to abolish the company's stabilization fund (on which the International Monetary Fund is insisting).

Valeriy Remizov, first deputy chairman of the company board, said that "Gazprom" is an "open company" with no wish to conceal its income. In his words, there will be "no retaliatory attack on the critics in the government," since "Gazprom" is a law-abiding company that intends to strictly follow the relevant normative acts in the future.

At the same time, Mr. Remizov admitted that if export duties are raised from 2 to 5 ECU's, it will mean that the process of reproduction in the company will in fact be discontinued. In his words, the withdrawal of 500 million ECU's ($670 million) to the budget will lead to a situation where "we will be simply unable to build anything."

As for the plans to liquidate the stabilization fund (SF), Valeriy Remizov said that if the solvency of company customers on the domestic market was sufficiently high (nonpayments account for about 50 percent of the volume of deliveries), "Gazprom," in principle, "would need no privileges." The first deputy chairman of the board has therefore admitted that the SF is of a compensatory nature, which allows for offsetting internal nonpayments and compensating for the symbolic character of gas prices for the population (about $1.5 per 1,000 cubic meters, compared with $51 for industrial consumers).

According to Mr. Remizov, there are also other compensatory options in the event that the SF is given up, such as upgrading gas networks using Western credits. He thinks, however, that such an approach is unprofitable for Russia, since credits, as a rule, are provided on binding terms, which ends in a loss of jobs in sectors manufacturing oil and gas equipment.

Mikhail Dokuchayev, deputy head of a "Gazprom" directorate, justified the existence of the SF by underdepreciation leading to the aging of the main pipeline system.

Mr. Dokuchayev explains the government's plans to increase fiscal pressure on the largest Russian concern by the convenience of replenishing the income part of the state budget "from one source." In his words, to search for hidden profits in the economy is an extremely hard job, and it is much easier to withdraw additional funds from "Gazprom," "which has one account in rubles."

In his words, however, it is very difficult to do this, taking into consideration the fact that the share of taxes in the gas price for industrial consumers has reached 62 percent.

"Gazprom" officials also denied the recently published information that the company's new office costs $600-800 million. In their words, the estimated cost of construction work carried out by Turkish builders is $190 million, and a considerable part of this sum has already been redeemed at the expense of gas supplies to Turkey. [article contains following boxed text]

The stabilization fund of the "Gazprom" Russian joint-stock company was created on 6 December 1993 by Russian Federation Presidential Edict No. 2116. It is formed on the basis of the difference between hard-currency revenues from gas deliveries abroad, including CIS and Baltic countries, and domestic prices. Amounts placed to the SF, during its formation and subsequent redistribution among gas industry enterprises (meaning "Gazprom" affiliate companies), are not subject to taxation.

Effects of New U.S. $100 Bill Forecast

MM0908104795 Moscow KOMSOMOLSKAYA PRAVDA (Business Tuesday Section) in Russian 8 Aug 95 p 1

[Report by Igor Yemelyanov: "Keep Your Money In Rubles Not Dollars!"]

[FBIS Translated Text] The 25 million counterfeit dollars that appear in the United States every year are one of the main reasons why the U.S. Department of the Treasury is "launching" new $100 banknotes as of next year. A $50 bill will come into being in 1997, and so it will continue in descending order with a fresh banknote every 12 months. The production capacities of U.S. printing presses are such that, as T. Allison, member of the U.S. Federal Reserve Fund Board of Governors, said, they will be able to make two to four times more of the brand new money than of the "old" money being printed today. In this way, they will be able to meet all the orders coming from the 70-80 Russian banks, which, out of 789 banks, have Central Bank currency licenses, and which, as the Central Bank of Russia hopes, will obtain the brand new currency for Russian needs in an organized fashion. These needs are varied, but the Russians' wish to buy the new dollars or sell any "old" ones will be able to be fulfilled at any of the 12,000 exchange centers officially involved in buying and selling currency throughout the country today. The banknotes with the image of the U.S. President "moved" to the left will appear practically immediately after they have come into existence in their historical motherland, since, according to Ye. Ivanov, deputy chief of the Central Bank of Russia Main Administration for Currency Regulation, the channels of supply and storage are extremely reliable and have been perfected by the Americans. Incidentally, the revision of the external appearance of the $100 bill is still going on, so that counterfeiters have nothing to copy yet.

Now something about the most interesting part for the Russian holders of dollars in cash. Will those who do not do anything about it today have to decorate their bathrooms with the greenbacks tomorrow? When this question was put to Ye. Ivanov in a more delicate form, he advised the following. Those who have opened a currency account should pay in the dollars that they currently have under their mattresses. So that in the second and third quarters of 1996, if need be, they can collect a sum with interest in "fresh" dollars. Those who have no currency account should find the center with the most advantageous rate for purchases from the population, and change the dollars there for Russian money, and then pay these in turn either into a ruble deposit account or somewhere else. The third option is to buy things with the dollars before their rate creeps up. And finally, the fourth and simplest option — not to hurry anywhere, because the U.S. Department of the Treasury has given holders of the "old" banknotes an indefinite amount of time to reflect, or, specifically, until the time when the previous $100 bill is quietly removed from circulation in the next few years (or decades?). It is not out of the question that this will not occur in our generation's lifetime.

Corn Seen As Potentially Filling Harvest Shortfall

MM0808162095 Moscow SELSKAYA ZHIZN in Russian 5 Aug 95 pp 1,2

[Interview with Ivan Ivanovich Gridasov, chief of the Russian Ministry of Agriculture and Foodstuffs Main Administration for Crop Production, by Vladimir Istomin; place and date not given: "What Is the Harvest Like in Russia?" — first two paragraphs are SELSKAYA ZHIZN introduction]

[FBIS Translated Text] The answer to the question used as the headline is at first sight clearly provided by the State Committee for Statistics report. It says: As of 31 July, just over 16 million hectares of grain corps (excluding corn) out of 55 million have been cut, and 23.5 million tonnes of grain have been threshed. As for yield, it has decreased during the past two weeks from 18.3 quintals per hectare to 15.6. This is a normal phenomenon in any year — the harvest front moves from the south to the north and east, where the natural and climatic conditions cannot be compared with, for example, the conditions of the North Caucasus. But is the level of the decrease not too great? Obviously the "hand" of the drought has had its effect, and it is even being said that it has hit almost half of the country.

My conversation on the current harvest with Ivan Ivanovich Gridasov, chief of the Russian Ministry of Agriculture and Foodstuffs Main Administration for Crop Production, started with this preamble.

[Gridasov] "There is no reason for any panic whatsoever," was the immediate reply. "Citing the report, you noted that 23.5 million tonnes of grain have already been harvested. But we are expecting to harvest 30 million tonnes of wheat alone! Now let me cite another figure — 18 million tonnes. That is how much wheat we eat a year. So that there will be enough left both for seeds and for mixed feed.

[Istomin] Nevertheless, which regions have been affected by the drought?

[Gridasov] The center of the drought has been in Saratov, Orenburg, and Volgograd Oblasts. And about another 20 oblasts around them have also suffered. To be more specific, between 6.7 and 8 quintals of grain per hectare are currently being threshed in the center I mentioned. But let these indicators not disturb you: There is more than enough grain for local needs. And even if there were not enough, the country would help — it would not be like the Russians to leave each another in the lurch. Everything depends on how the regions will interact with each other....

I think that the level of the gross grain harvest which Government Vice Premier Aleksandr Kharlampiyevich Zaveryukha has repeatedly spoken about — around 70 million tonnes — will be reached.

[Istomin] Is this not too bold a statement (I mean both by you and the vice premier)? After all, everything has to be counted up and weighed up 100 times....

[Gridasov] We have counted it up and weighed it up. The conclusion is as follows: The scheduled harvest will be achieved on condition that we harvest all the grain. There are difficulties on this path, and SELSKAYA ZHIZN has provided sufficient information to its readers about it. I am not going to go over it all again, but I will say that we have grain field reserves which farmers and nature have given us.

Summer this year is running about 20 days ahead of its usual timing, and there is a possibility of replenishing the grain bins with corn. There are about 7 million hectares of corn in Russia, and it is in a good state even in the places where the spring grain crops have been scorched! And the "queen of crops," like the summer, is ahead of its usual time of ripening. I was in Moscow Oblast yesterday at the Gorkiy Kolkhoz, and even here, in the Non-Chernozem area, the corn cobs for silage have already reached milky ripeness. Another month and the grain will be ripe. Even before that it will have reached harvest condition in the Volga Region, the Central Chernozem Oblast....

The Ministry has given the regions a task: to gather some of the corn crop for grain. Not all! The feed balance should be supplemented partly by silage and green matter with cobs. But whereas last year, for instance, the yield of green matter was 100 quintals per hectare on a given farm, then this year it is nearly 200, so why not supplement grain feed with corn from 20-30 hectares? This idea was greeted with support, and whereas we had planned to harvest 500,000 hectares of corn for grain, then a figure of around 1 million hectares came back from the regions. In a word, the grain harvest shortfall can be significantly made good.

[Istomin] What lies behind the world "significantly"?

[Gridasov] It will all depend on the weather and other conditions. But if we harvest corn from 1 million hectares, then we can count on receiving an extra 4.5-5 million tonnes of grain.

[Istomin] Ivan Ivanovich! Let us assume that everything works out the way you are planning. But August and September not only crown the harvest, they force the farmer to concern himself with the next stage of the harvest. It is not for me to recall what role the winter sowing areas play in the grain balance, particularly in dry years. In the recent past our newspaper has constantly been publicizing this aspect of the matter.

[Gridasov] At that time we had 22 million hectares of winter crops throughout Russia, whereas now we have 14 million. I think that the "Roskhleboprodukt" corporation has played a negative role in the reduction of the areas sown to winter crops. Its leadership shouted from all the rooftops that we do not need rye. Not only did it state this, but it also failed to buy rye grain. As a result, only 4 million hectares remain of the 10 million [previously sown to rye].

This very year they intend to give the traditional Russsian crop its due and reestablish it. This is because there is no good rye bread even in the capital, and the demand for it has risen — particularly in Central Russia, the Urals, and in Siberia. Furthermore, the Baltic region is asking for rye from us, and there are also [potential] purchasers from Western countries. True, the commodity is lacking. It is not there despite the fact that "Roskhleboprodukt" president Cheshinskiy had said that we have enough rye for six years. There has not been enough for one year!

[Istomin] All right then, the farms will listen to you and they will increase their sowing. But where is the guarantee that we will not be leaving rye grain to rot in primitive granaries waiting for a customer?

[Gridasov] I have already partially answered this question when I spoke about the increased demand. But the demand, as we know, determines the prices. So 500,000-600,000 rubles [R] is now being paid for a tonne of rye, whereas the price of a tonne of good wheat is 700,000-900,000. After all, rye is twice as productive in years that are unfavorable to grain crops, and 1.4 times as productive in favorable years. If a boss or specialist at a farm is competent and has foresight he will give preference to this crop.

[Istomin] Rye, like all winter crops, is mainly sown on fallow land. What state is that currently in? And is it clean fallow?

[Gridasov] There is more fallow land now — in recent years, land has started "to be left to rest" more and more frequently, including on livestock farms. But these abandoned fields cannot be left idle forever, and the former kolkhozes and sovkhozes are beginning to appropriate them. And, strange as it may seem, everywhere I went, the fallow fields were fairly well looked after. Of course it is people who keep the future in mind who look after these fields! But even these people have difficulties. Fallow areas are supposed to be fertilized but they are not — gaps in our agrarian policy are still in evidence. Because of a shortage of fuel, manure is not being taken out to the fields, as it was in the past, for instance. As for mineral fertilizers.... In the Non-Chernozem area, the Volga area, the Urals, and in Siberia the time has now come to sow winter crops, but there is not a gram of fertilizers in these areas. I would recall that in 1990 farms had 3.5 million tonnes of fertilizers at this time, whereas last year the figure was around 300,000.

[Istomin] Another government decision is evidently needed on this matter....

[Gridasov] I do not see any other solution. At least until the farmers have become equal partners at the market ball.

International Affairs

Agreement With Russia on 'Main Points' on BSF

LD0808160195 Moscow INTERFAX in English 0148 GMT 8 Aug 95

[FBIS Transcribed Text] KIEV, Aug 8 (INTERFAX-UKRAINE) — At the Ukrainian-Russian talks on the Black Sea Fleet, which ended in Moscow last week, the two sides virtually managed to agree on the main points for agreements on the status of the Russian Fleet and on conditions for its presence in Ukraine, chief Ukrainian negotiator, Deputy Ukrainian Foreign Minister Konstantin Grishchenko told a briefing on Tuesday [8 August] at the Ukrainian Foreign Ministry.

Among the already coordinated issues the diplomat pointed to the one about the maximum number of Russian Fleet personnel, the number of ships, the procedure for setting up the Fleet's protection zones, as well as the conditions for transporting military property.

Grishchenko said that the financial issues, for example, payment by Russia for the use of Ukrainian sites, have not been discussed.

At the same time, according to the diplomat, some issues, the problem of Sevastopol, for example, must be tackled at a higher level.

Answering a question by INTERFAX-UKRAINE concerning the two sides' stands on this issue, Grishchenko said that Ukraine "proceeds from the fact that a realistic approach is needed to define the number of bases for the Russian Fleet."

Among the controversial issues left, Grishchenko named the period for leasing the bases. Ukraine believes, he said, that this period must be "much shorter than 99 or 50 years."

Grishchenko described the atmosphere at the talks as "difficult, though better than earlier."

Grishchenko failed to answer the question of when the Ukrainian and Russian prime ministers are likely to meet to discuss Fleet problem.

At the previous meeting in Moscow late in July the prime ministers, Yevgeniy Marchuk and Viktor Chernomyrdin, agreed to meet August 2, however, they failed to do so.

Deputy Foreign Minster on Results of Talks

LD0808184695 Moscow INTERFAX in English 1818 GMT 8 Aug 95

[FBIS Transcribed Text] Kiev, August 8 (INTERFAX-UKRAINE) — Deputy Foreign Minister of Ukraine Konstantin Grishchenko, head of Ukraine's delegation at the talks, told a news-briefing at the foreign ministry today that at the Ukrainian-Russian talks on the Black Sea fleet, which closed in Moscow last week, understanding was reached on the status of Russia's BSF [Black Sea Fleet] and terms of its stay in Ukraine's territory.

Among the issues on which understanding was reached, the diplomat named the maximum strength of personnel of the Russian BSF, the number of ships, the procedure of setting up protected zones of the fleet's facilities and the terms for the transportation of military inventory. As regards the latter, Grishchenko stressed that the military transportations of the BSF will not be attached a special status and will be conducted on the basis of the agreements made by Ukraine.

The deputy foreign minister noted that financial problems, particularly, those of Russia's payments for Ukrainian facilities it uses, were not discussed at the talks. A separate agreement will be concluded for this purpose.

Meanwhile, the diplomat says that a number of issues should be resolved at a higher level, that of Sevastopol included.

Answering the "IF-U" [INTERFAX-UKRAINE] question about the stands of the sides on that issue, Grishchenko remarked that Ukraine "proceeds from the fact that it must be realistic as regards the quantity of objects necessary for the functioning of Russia's BSF".

The deputy minister said, understanding had not been reached on the duration of the leasehold of the military bases of the former BSF. According to him, Ukraine's standpoint is that the term should be "not 99 or 50 years, but much shorter".

In general, Grishchenko described that atmosphere at the talks as "a no simple but a better one than before".

The Ukrainian deputy foreign minister did not answer the question when the premier ministers of Ukraine and Russia could meet. During their latest meeting in Moscow in late July, PMs Yevhen Marchuk and Viktor Chernomyrdin agreed to meet on August 2. But they failed, because agreements had not been prepared.

More on BSF News Conference

WS0908085595 Kiev INTELNEWS in English 2306 GMT 8 Aug 95

[By Oksana Hasiuk, INTELNEWS Staff Writer]

[FBIS Transcribed Text] Kiev, Aug. 8 — Ukraine and Russia are apparently not that much closer to resolving key issues concerning the division of the Black Sea Fleet, despite earlier optimistic predictions.

The best thing that Konstantin Grishchenko, the deputy foreign minister who headed Ukraine's delegation to last week's negotiations in Moscow, could say on Tuesday was that both sides of the talks "were trying to drop all issues which it was possible to drop."

The deputy foreign minister said that the Ukrainians and Russian delegations continued their work provisions of the draft agreements on the BSF's division and on the status and conditions of the future Russian fleet's stay in Ukrainian territory.

Grishchenko said the negotiators at the Moscow meeting concentrated on the issues which were not solved during the previous July meeting in Kyiv.

Although the Moscow negotiations, according to Grishchenko, were not simple, the general atmosphere was "a little bit better than it was sometimes earlier."

According to Grishchenko, the Russian and Ukrainian delegations settled in Moscow only "the main elements of agreement on the status and conditions of the stationing of the Russian BSF in Ukrainian territory."

"We agreed on the issues which were important for us and on which we could not agree before," Grishchenko said, citing agreement on staffing and ship limits for the future Russian fleet and possible locations which would be "off limits" to the Russian military in the future.

According to Grishchenko, the rent to be paid by the Russians for the base and its support facilities and compensation for the ships themselves were not discussed in Moscow, nor have the two sides settled the question of the nature and quantity of buildings and other infrastructure needed to support the Russian fleet in Sevastopol.

"The issue of the term of the stay of the future Russian BSF in Ukraine also has not yet been agreed upon," said Grishchenko. He added that these issues will be discussed on a higher level.

Marchuk Suggests Joint Border Checkpoints With Russia

AU0808115195 Kiev HOLOS UKRAYINY in Ukrainian 5 Aug 95 p 10

[Report by Valentyna Pysanska including statement by Ukrainian Prime Minister Yevhen Marchuk in Kiev; date not given: "What Type of Borders Do We Have?"]

[FBIS Translated Text] During Ukrainian Prime Minister Yevhen Marchuk's latest visit to Moscow to participate in the scheduled round of Ukrainian-Russian talks on the Black Sea Fleet problems, one of the Ostankino television news programs carried the following episode: Viktor Chernomyrdin, asked by journalists about our joint borders, answered that they will be "transparent" and comfortable for the people who will cross them. His opposite number said nothing.

It might be of interest to know whether Ostankino showed only half the story or whether Marchuk agrees with his Russian counterpart? This was our question for Yevhen Kyrylovych following a news conference at the Cabinet of Ministers, when each journalist tried to ask questions that he had failed to ask during the news conference because of the lack of time.

[Marchuk] I am a little annoyed that the television only carried the answer of the Russian premier, because I only partly agree with him: The border must be convenient for decent and honest people. With regard to its being "transparent".... How can it be more "transparent" than it already is? From the most remote parts of Russia and across the entire territory of Ukraine to its western border, there is a rapid flow of illegal migrants: about 40,000 a year. Our border guards prevent them from continuing on their way, or the Poles or Germans turn them back. These migrants do not want to return home and so they settle in our country for a long time so as to make another attempt later. Do we need such settlers? What do we do with them — create comfortable conditions for them?

Fine, for people who go for a visit, to see relatives, or to travel, there should be the most favorable conditions. As regards vehicles loaded with metal or raw materials, there must be the strictest possible control. As for border posts on both the Ukrainian and Russian sides, are they necessary? Would it not be more sensible to make them joint? If this is what Viktor Chernomyrdin meant, I agree with him.

Property Fund Briefs on Disputes With CIS

WS0908093995 Lvov INFOBANK in English 0650 GMT 9 Aug 95

[From the "News Service" feature]

[FBIS Transcribed Text] Ukraine currently has mutual unregulated claims with Russia, Belarus, and Moldova for almost 500 entities located on the territories of the said states, announced Oleksandr Tymoshenko, deputy chairman of the State Property Fund, at the August 8 media briefing. Bilateral agreements on the mutual recognition of property rights and the regulation of ownership relations are already signed and two of them (with Russia and Belarus) ratified by the Ukrainian Parliament.

The list of entities in question includes manufacturing and construction enterprises, mining and processing facilities, logging areas, branches of research institutions, and a number of recreation facilities (sanatoriums, summer camps, and recreation areas). According to Mr. Tymoshenko, enterprises, institutions, and their branches subordinated to Ukrainian ministries, central or local authorities during Soviet times but located outside the territory of the former Ukrainian SSR might be recognized as Ukrainian property. A recreation facility should belong to Ukraine in the case that its construction or purchase was financed from the budget of the Ukrainian SSR or budgets of Ukrainian enterprises.

Cooperation Accord Signed With Argentina

LD0808212095 Kiev UNIAN in Ukrainian
1830 GMT 8 Aug 95

[FBIS Translated Text] Kiev — Ukrainian Deputy Foreign Minister Volodymyr Khandohy and Fernando Enrique Petrella, Argentina's deputy foreign affairs minister and secretary for foreign relations, signed on 8 August an agreement on scientific, cultural, and educational cooperation between Ukraine and Argentina.

Fernando Enrique Petrella announced that Ukrainian President Leonid Kuchma will pay a visit to Argentina on 27-28 October.

He added that plans for the visit include signing a declaration on the fundamental principles of relations between the two countries and a trade and economic cooperation accord.

National Affairs

Crimean Speaker Plans Closer Ties With Russia

LD0808131495 Kiev UNIAR in Ukrainian
1145 GMT 8 Aug 95

[FBIS Translated Text] Simferopol [no date as received] — "The Ukrainian president has formally announced his support for our plans to create an open economy in Crimea," said Crimean Parliament Speaker Yevheniy Suprunyuk in an interview for the KRYMSKAYA PRAVDA newspaper on 8 August. "Our own actions should prove that we favor the course of economic reforms," he said.

According to Suprunyuk, Crimean and Russian Prime Ministers Anatoliy Franchuk and Viktor Chernomyrdin, who recently met in Moscow, discussed mutual deliveries of industrial and agricultural products, solutions to budget problems at Crimea's resort facilities, and payment for land occupied by Black Sea fleet bases.

"Our main priority is to create favorable conditions for the Russian investor," said Suprunyuk. He added that it was also important to preserve information and culture links. "We will make sure that communication with our neighbors remains as easy as possible. The first step in this direction will be the introduction of visa-free travel between Crimea and Krasnodar territory."

Commission in Sevastopol on 'Fact-Finding' Mission

WS0908103195 Kiev UKRINFORM in English
0710 GMT 9 Aug 95

[From the "Current Events" feature]

[FBIS Transcribed Text] As UKRINFORM's correspondent in Sevastopol, Crimea, reported on Tuesday, August 8, a delegation of the presidential verification commission arrived there led by its Chairman Ivan Saliy.

The delegation met with the city's municipal officials and senior officers of the Ukrainian Navy Staff.

Mr. Saliy is reported to have deemed his mission as a fact- finding one and aimed at drawing proposals about the Ukrainian Navy's development.

Security Service Uncovers Organized Smuggling, Forgery

AU0908093995 Kiev MOLOD UKRAYINY
in Ukrainian 4 Aug 95 p 2

[Report by Serhiy Shevchenko, Press Center of Ukraine's Security Service Kiev Administration: "The Counterintelligence is on the Hunt for Financial Wrongdoers"]

[FBIS Translated Text] About 1.4 trillion karbovantsi [K]: This is the total of hidden taxes and fines to be paid by enterprises in the Kiev region since the beginning of the year. It is the result of just those audits by the State Tax Inspectorate and other control and auditing bodies that were based upon operational material from the Ukrainian Security Service's [SBU] Kiev Administration. From this sum, the budget has already received K26,578 million.

Generally speaking, in the process of operations and investigations, the Security Service's subdepartments have revealed a series of organizations that have been using forged documents and have been involved in racketeering and blackmail. Members of several criminal groups that illegally obtained billions of karbovantsi in credit from banking institutions are already being interviewed by investigators.

However, this is not the only occupation for the special services, as can be shown by some of the results of the

SBU's Kiev Administration over the first six months of 1995. Uncovering and investigating concrete crimes against the state and curbing smuggling, corruption, and organized crime: These were the trends of its practical work. Considerable efforts were also made to ensure the operational implementation of state decisions aimed at extricating our economy from the crisis. These are government programs for "energy resources," "metals," and "privatization," among others.

Thanks to timely information, several export-import contracts that would have been unprofitable for Ukraine did not go through; cases of failure to return considerable sums of foreign currency from abroad were uncovered; and other antistate activities were also prevented. In particular, cases of abuse by officials of a major scientific production firm selling nonferrous metals were exposed. Our operational officers have also been watching dealers who concluded contracts with state enterprises to supply fuel and lubricants worth more than K300 billion, but, after they received the money, did not fulfill their obligations. Documents were handed over to the appropriate control and law enforcement agencies.

There were also cases involving bribe-taking, in which a group of high-ranking officials of the Boryspil [near Kiev] City Council were arrested; two officials from the inspectorate were also caught red-handed; the former law-enforcement officer Mychkovskyy is now behind bars. Piraliyev and Mykhalyova, heads of the "Farid" and "Nartex" enterprises, were convicted for financial fraud.

An investigation into a case of smuggling involving $460,000 is nearing completion. This record sum of foreign cash was confiscated from a Turkish citizen during a customs inspection at Boryspil Airport. This year, several cases entailing the illegal crossing of the state borders, involving our nationals as well as foreigners, have also been brought to trial.

In the course of the "Pereval" [Mountain Pass] operation, a considerable quantity of contraband was seized. Evidence is now being examined of the smugglers' attempts to take advantage of corrupt contacts to commit crime on a large scale.

In July, the unlawful activities of yet another criminal group engaged in forging documents were stopped. On the whole, over the last two years, in cooperation with the police, an extensive network of so-called "underground printing houses" has been uncovered. During the latest operation, more than 600 forged customs certificates registering cars were confiscated, as well as blank forms of various documents, printers' forms, and even bank examples of foreign checks. If the forged customs documents alone had been sold on the black market, the country would have been defrauded of many hundreds of thousands of dollars.

As before, continuous attention has been paid to preventing violations of the law in the sphere of state security. Timely preventative measures made it possible to thwart penetration by individual foreign organizations into our state's internal affairs. A German resident called Ya. [initial as transliterated] Berger was declared a "persona non grata" in Ukraine for being a member of the Trotskyite "International Communist League [ICL]," whose goal is to create ICL cells to carry out "proletarian revolutions" in various countries by methods that do not stop short of armed struggle.

Other criminal investigations are also going on.

Concept of Legal, Judicial Reform Detailed

WS0808135195 Kiev KHRESHCHATYK in Ukrainian 1 Aug 95 p 3

[Interview with former Minister of Justice Vasyl Vasylyovych Onopenko by Olena Prylutska: "Law-Governed State and Us" — first two paragraphs are KHRESHCHATYK introduction]

[FBIS Translated Text] *Reform of the national legal system matured long ago and became as overripe as a pear. The recent confrontation of the two branches of power — legislative and executive — clearly confirmed this.*

It is impossible to build a democratic law-governed state without wide-scale legal and judicial reform. The draft of a new concept of legal and judicial reform was published recently by a group of authoritative lawyers headed by [former] Justice Minister Vasyl Vasylyovych Onopenko, who today answers our correspondent's questions.

[Prylutska] Vasyl Vasylyovych, you repeatedly emphasized that drafting the concept of legal and judicial reform is conditioned by objective transformations in the state, particularly, by orientation toward a law-governed state. What do you — as "primary" lawyer of the state — mean by the concept "law-governed state?"

[Onopenko] You stressed correctly that this is still our orientation and our desire. By the way, this concept is also used in the constitutions of Germany, Spain, Brazil, Poland, and Russia. As regards the meaning, I think that it implies that the state protects genuine civil rights. All legal institutions in such a state operate to maximally ensure these rights. The high position of judicial bodies in society and in the life of the state is an indicator of such type of state, because none other than this branch of the state system is the most reliable legal guarantee for rights and has the most effective opportunities to protect them.

The Concept of Legal and Judicial Reform of 28 April 1992 was aimed to achieve this objective. However, along with positive moments, its implementation also demonstrated certain miscalculations. First of all, this concept did not have a material-technical basis and was not oriented toward the development of market relations.

Today we have a new concept of legal and judicial reform in Ukraine which was drafted at the instruction of the Ukrainian president. This new draft has comprised all positive things developed in the country over the previous years, with changes based on today's realities. It was the first time that we managed to unite scientific research and practical experience.

[Prylutska] Who out of leading scientists-lawyers participated in drafting this document?

[Onopenko] Professor Semen Alpert, corresponding member of the Ukrainian Academy of Sciences; Professor Fidir Burchak; Professor Vladlen Honcharenko, academician of the Ukrainian Academy of Legal Sciences; Yuriy Hroshevyy, vice president of the Academy of Legal Sciences; Mykhaylo Mikheenko, corresponding member of the Academy of Legal Sciences; Academicians Volodymyr Stashys and Vasyl Nor; and Vasyl Tatsiy, president of the Academy of Legal Sciences. In addition, representatives of all law-enforcement bodies, of the Presidential Administration, of the Supreme Court, of the Supreme Court of Referees, and of the Ministry of Justice were members of this commission. It seems to me that this fact is already a "quality certificate."

[Prylutska] Which principles of conducting reform have been laid down in the draft concept?

[Onopenko] A stage-by-stage reform of the complex of legal institutions at the expense of minimum financing, but with maximum effectiveness.

[Prylutska] So, you're saying that only specific branches of the legal system were subject to reform until now.

[Onopenko] Exactly. For example, the system of law-enforcement bodies has in fact remained in the same state as it was under the totalitarian system. Legislation that regulates their activities — despite extensive changes — is considerably behind the development of public relations at the stage of market transformations and cannot at the time ensure the stable protection of civil rights, particularly of the rights of our wealthy citizens.

[Prylutska] What does the draft concept state about courts, which you called the indicators of a law-governed state?

[Onopenko] The draft concept envisages the following principles: Full independence of courts when specific cases are being tried, however, within the framework of law; maximum accessibility of courts to the people; equality of all the people with regard to legislation. The draft proposes that a single system of courts of general jurisdiction along with their gradual specialization be established. So, there will be a constitutional court, courts of general jurisdiction, and economic courts (economic courts will operate until market relations are introduced, while later they will be included in the system of general courts).

The law on the judicial system should clearly specify the jurisdiction of each branch of the judicial system.

In particular, it is necessary to exclude the trial of first-instance cases from the power of the Supreme Court as it is done in international legislation and to introduce appeals and cassations [as published]. Therefore, we will get rid of the erroneous practice of case supervision that now makes it possible to retry cases 10-15 times or more, and to reduce expenditures on administering the law. Due to the fact that specialization of courts will make it possible for us to not increase staff, this implies the minimum costs of reform of which I spoke of in the beginning.

The need for a single procedure to nominate judges — as introduced in all developed European countries — has transpired. In particular, it implies that the president at the request of the justice minister will nominate judges of the courts of general jurisdiction and of military and economic courts (except for the Supreme Court and the High Economic Court). The Supreme Council — at the request of the president — will choose the judges of the Supreme Court and the High Economic Court for a lifelong term. The Constitutional Accord signed on 8 June envisages specific changes in this direction, but they should be ensured by legislation. This, by the way, does not only imply the establishment of a system to counterbalance various branches of power, but to increase the authority of judicial power.

In addition, the participation of the Ministry of Justice in qualifiable-disciplinary commissions of judges will be obligatory to deprive this body of corporativism. Judges make up 80 percent of the current membership of this commission. The consequences of this situation are known: Only in 21 cases out of 53 — regarding the disciplinary proceedings brought against judges for the rude violation of legislation — relevant measures have been applied. I — as justice minister — am ready to bear political responsibility for the situation in the justice system. However, how can one place such demands on me while the Ministry of Justice has in fact also been removed from recruiting staff for courts and from fulfilling court decisions. There is not only one side of the matter.

Have a look at Supreme Court offices! One cannot conceive of more terrible conditions. In each of its small offices, eight people huddle together while the state makes beautiful buildings available to commercial structures. As of today, 852 judges in Ukraine are not provided with housing. Two hundred seventy six offices for judges are not acceptable for law administration; in fact, 276 buildings must be built. Ninety percent of courts are located in facilities that are municipal property. Therefore, the judicial system has no its facilities even though it fulfills the general functions of the state. Does this bolster the authority of judicial power? If we are concerned about the authority of the state, these issues should be resolved in the first place.

Therefore, we included a stage-by-stage resolution of all these problems in the draft concept.

[Prylutska] Case investigation is directly connected with the activities of courts. Will investigative bodies also be reformed?

[Onopenko] According to the current legislation, preliminary investigations are carried out by inquest and investigative bodies of the interior, the security service, and the prosecutor's office. The draft envisages differentiating between the preliminary investigation and the administering of law (to differentiate between cases based on the gravity of the crime). The investigation itself should be singled out as a specific structure to make it possible to investigate the case independently within the legal framework and to deal with issues pertaining specifically to the investigation in question.

This will correspondingly lead to reforming the prosecutor's office. It should find its place and role in the system of state power bodies as it has done so in all European countries. It is necessary to specify the limits of its general supervision and to make it possible to support the prosecution in the court.

[Prylutska] The draft also postulates the reform of bodies of the interior, in particular, the transfer of the penitentiary system to the Ministry of Justice....

[Onopenko] Yes, this issue can already be resolved at the legal level. The system of bodies of the interior also has an entire variety of purely civil functions such as registering the people coming to and leaving Ukraine; registering foreign citizens staying in Ukraine and individuals without citizenship; carrying out passport formalities; fulfillment of punishment measures that do not involve imprisonment. These functions pertain to ensuring constitutional human rights and no law-enforcement ministry in any foreign country that fights crime fulfills these functions and consequently often restricts human rights.

[Prylutska] Could you say a few words about changes in the system of notary's offices and the lawyers' system?

[Onopenko] I am convinced that a private notary's office will exist in the future. Besides, reform of notary offices can lead to reforming all other legal bodies. This is known from international experience. For example, the reform of notary offices opened the reform of the Polish legal system in 1989. As regards legal counsel, it is necessary to ensure a defendant with a genuine right to protection, and the least-financially secure with free legal assistance at the expense of the state; and to this end establish a state fund to pay for this legal assistance.

[Prylutska] As far as I understand, reforms will also specify the role and place of the Ministry of Justice in a clear-cut way.

[Onopenko] Undoubtedly, and not only this. It is necessary to increase the ministry's authority and importance in public life. The Ministry of Justice must eventually become a genuinely most authoritative and influential ministry in the state if the state wants to be law-governed. This is done all over the world. Our draft also specifies this tenet.

It is proposed that such functions as employing staff for courts — this is what I spoke about before — and managing penitentiary and punitive bodies that do not deal with imprisonment, registering people who arrive in and leave Ukraine, as well as foreign citizens and individuals without citizenship, carrying out passport formalities, and fulfilling the state functions to carry out courts' decisions, be transferred to the Ministry of Justice.

[Prylutska] Vasyl Vasylyovych, in terms of strengthening the role and authority of the ministry that you head in our state, I would like to return to the beginning of our talk — to the policy of developing legislation. What kind of policy should it be and do you not think that the role of the Ministry of Justice should be much more significant?

[Onopenko] Undoubtedly. The current system of legislation to a great extent does not correspond to — sometimes comes in conflict with — the needs of the new stage of the development of our society. New laws that should liquidate gaps in legislation are adopted with an obvious delay. Often legal acts are regarded by their creators as something generated by current political needs.

Hence, addenda that emerge also undermine the stability of the new legislation. Therefore it is necessary to clearly specify the circle of subjects to carry out legislative initiatives. Then responsibility for the policy in the legislative sector will emerge. For example, the Ministry of Justice — as is done in all European countries — should shape the policy in the sector of criminal, criminal-investigational, civil, and administrative legislation, taking into consideration its relevant functions. It is necessary to authorize the Ministry of Justice with the right to put forward a legislative initiative....

Then it will also be possible to discuss the responsibility for the situation in these sectors. Propositions could come from various ministries, we will have to generalize them, and the Cabinet of Ministers will have to adopt a final decision.

[Prylutska] On what, in your opinion, does the implementation of the draft concept depend?

[Onopenko] Success depends on many factors, such as the organization and coordination of work and the overseeing of legal and material-technical supply of reform. The failure to implement the previous concept of legal and judicial reform confirms this.

[Prylutska] The draft concept of legal and judicial reform undoubtedly implies great changes in the legal system toward democratic reform. Everything that is new, however, proceeds with difficulty. Are you not afraid of making enemies in this sector?

[Onopenko] I am scared of something else. Today certain political forces not only oppose reform, including legal reform, but try to fish in troubled waters as many fish as possible. The implementation of judicial and legal reform is being actively opposed now. If, thanks to the efforts of conservative forces, reform is stalled, Ukraine will again be thrown a few years back and will lag behind on the path to a law-governed state. As regards its citizens, they did not have a reliable protection of their rights and interests before and will not obtain such protection in the future.

Controversy Around Luhansk Governor Viewed

954F2940A Kiev MOST in Russian 24-30 Jul 95 No 29, p 4

[Article by Olga Bykova: "A Communist-Governor for President-Reformer or Flowers for a Dictator of the Proletariat"]

[FBIS Translated Text] A political battle for the post of head of the oblast state administration in Luhansk has ended. By an edict of President Leonid Kuchma, Petro Kupin, chairman of the oblast council of people's deputies and first secretary of the oblast committee of the KPU [Communist Party of Ukraine], was confirmed for the indicated position. The left-wingers once again demonstrated their best organizational ability, and their opponents, just as after last year's elections, began to prepare for the next attack.

When Leonid Kuchma was in Luhansk in the spring of this year he had occasion to hear a lot of complaints against Petro Kupin and his team. The president joked at the time: "The eyes saw what they were buying." And there was nothing with which to trump the opposition—P. Kupin won the elections. Now that the president has confirmed the governor, the Luhansk democrats are hoping within several months to return his own joke to L. Kuchma. Especially since in the opinion of local observers the president already has another candidate ready, and P. Kupin will be given several months in order to discredit himself decisively. And it is possible to believe this, considering that the opposition has in store data—in its words, more than enough—on the unsatisfactory work of Comrade Kupin as chairman of the oblast executive committee, and did not undertake to share the compromising material concerning the activity of the oblast authorities with the representatives of Kiev who came to the local functionaries of the democratic parties with a request to grant alternative information on the life of the oblast.

To understand what is happening in the Luhansk region, it is necessary to return to the end of last year when the oblast council, which is controlled by the left-wingers, tried under the pretext of indexation of its budget to collect money from the budgets of large cities. Apparently the left-wing leadership of the oblast was unable to foresee all the consequences of this step, and if the protest of Luhansk Mayor Aleksiy Danilov, considering his "businessman" past, was predictable, the indignation of his colleagues from Alchevsk and Severodonetsk proved to be a surprise. The budget has led to the creation of the Association of Cities of the Oblast, which was joined by the mayors of 14 large population centers of the Luhansk region, among which were also the communists. Thus, P. Kupin and his team unexpectedly for themselves created with their own hands a peculiar shadow government, and the dispute concerning money, which brought a number of mining cities to the brink of catastrophe, united against the oblast leadership even colleagues who were sympathetic to the party. Their own needs proved to be more important than party discipline.

It is true that P. Kupin, having lost the cities, could count on the support of the villages, where the communists and the socialists in the last elections were not in competition. There would have been support if the left-wingers had fulfilled their promises. But the village foundation of their social base also cracked this year. In Stanichno-Luhanskiy Rayon the chairman of the settlement councils, after assembling on their own initiative, proposed that P. Kupin concentrate on his party affairs and transfer management of the oblast to a more competent person.

While it is possible to argue for a long time about the results of the economic activity of the communists and whether the economic base of the oblast is falling apart more quickly or slowly than in the rest of Ukraine, one thing is unquestionable—it is impossible to believe statistical data, regardless of which of the disputing parties cites them. At the 1 May rally P. Kupin poured forth data about a collapse, but when the democrats started using this data themselves and appealed to the president with a demand to investigate the "red" governor, the press service of the oblast executive committee reported: "With the aim of discrediting the oblast council and its chairman P. Kupin, the authors of the appeal used doubtful facts. The prerequisites for stabilization of the economy for 1995 were outlined." Well, really: There is a lie, there is a barefaced lie, and then there are statistics.

However, as long as the Law on Authority gathered dust in the Supreme Council, the Luhansk communists behaved rather calmly toward both the opposition in the cities and villages and to the unification into a single anti-Kupin bloc of democrats who were rather weak in the Luhansk region. But all it took was to sign the constitutional agreement in Kiev, and the alarm was sounded in Luhansk. A joint statement of the oblast committee and the city committee of the KPU sharply criticized the compromise between the president and parliament. The press service of the oblast executive committee rushed to the defense of P. Kupin, and he himself threatened to prosecute the city newspaper ZHIZN LUHANSKA and other mass media that dared to publish the appeal of economists who were democratically disposed toward the people's deputies and the president. At the same time, a struggle started behind the scenes for a seat in the new executive vertical. As always, it can be judged only from rumors. If one is to believe them, in addition to Petro Kupin, the following could have been appointed head of the oblast administration: Hennadiy Fomenko, an executive of the oblast executive committee; Oleh Kotlyar, a former secretary of the oblast committee of the Communist Party; Anatoliy Yagoferov, people's deputy of Ukraine and director of the plant imeni Parkhomenko; and Mayor of Luhansk Aleksiy Danilov.

While the democrats were discussing whether or not to support A. Yagoferov, P. Kupin flew to Kiev, and A. Danilov right after him. This tandem arrived in the capital once again in July. There was a rumor that A. Yagoferov did not have any chance, inasmuch as he allegedly at one time made a sharp statement in L. Kuchma's direction. The communists, who do this continuously, in contrast to the democrats, were not disturbed by such trifles and continued to work for their leader. The social-democrats sent messengers to Kiev to invite former Deputy Prime Minister Yuliy Ioffe to the "governorship." The details and results of the negotiations are unknown. On the other hand, the results of the political skirmish are known—P. Kupin was appointed head of the state administration of Luhansk Oblast.

It is a thankless task to predict what will happen now. After all, the Luhansk region is in the far east of Ukraine, and the east, as is known, is a subtle matter.

As the Issue Went to Press

As has become known, the president of Ukraine has scheduled a reception for P. Kupin in Kiev on Wednesday 19 July at 1745. Flowers to greet the governor on his return to the Luhansk Oblast administration from Kiev were set out as early as Tuesday.

'Difficult Situation' of Nuclear Studies Described

AU0808174895 Kiev URYADOVYY KURYER in Ukrainian 5 Aug 95 p 7

[Interview with Mykhaylo Dmytrovych Bondarkov, candidate of physico-mathematical sciences and deputy director of the Ukrainian National Academy of Sciences Nuclear Studies Institute, by unidentified URYADOVYY KURYER correspondent: "The Ashes and Flame of Hiroshima"]

[FBIS Translated Excerpt] [passage omitted] [URYADOVYY KURYER] In what direction are nuclear studies conducted in Ukraine today?

[Bondarkov] It is difficult today to expect a radical breakthrough in physics. It is a science that has already established itself and now requires long-term and consecutive work to clarify some details, which, of course, are important and may lead to progress in certain branches of the economy. But one cannot expect such an eruption of discoveries as in the 1940's.

As is known, Ukraine has not only given up the use of nuclear weapons, but also their importing, designing, or manufacturing. Therefore, all of our studies are for peaceful purposes only. Ukraine has a series of atomic electric power plants, and we have no right not to develop scientific support for those plants. The designers of atomic reactors are now outside of our state, and their creations require continuous skilled supervision. Our specialists are partially assuming that function.

Unfortunately, operation of the nuclear-physics installations that we have at our institute — the experimental reactor, two cyclotrons, and the tandem generator — is very expensive. There are fears that we will not be able to use them in full as we used to. However, it is not a way out to close them down, for we will never open them again after such an action. It is better to have an expensive installation that will be used in at least special cases, when there is no other alternative, than to get rid of it and then, in case of extreme need, go begging from the world. Further development of studies is also connected with this. Trends associated with modern technology, engineering, and theoretical studies have turned out to be more viable and those requiring expensive hardware — more vulnerable.

The leadership of the institute and the Ukrainian National Academy of Sciences, as well as leaders of the atomic industry realize the need to maintain the achieved level of studies and to keep the aforementioned nuclear-physics installations in operational state despite the difficult financial situation. For this purpose, Ukraine's National Academy of Sciences and Ukraine's State Committee for Atomic Energy have created a joint research center based at the institute.

[URYADOVYY KURYER] Do you think it possible to use a modification of atomic weapons in future wars?

[Bondarkov] There may always be a maniac in some small country who, because of his own feebleness, is ready to put the world on fire. For that he may explode a bomb or two. Large countries such as Russia or the United States will not do that. Conventional weapons have reached such heights of destructive force that it is meaningless to use atomic weapons. I believe that atomic weapons will serve the purposes of intimidation only.

Nuclear Plant Reactor Reactivated

LD0808171195 Moscow INTERFAX in English 1456 GMT 8 Aug 95

[FBIS Transcribed Text] KIEV, Aug 8 (INTERFAX-UKRAINE) - The turbogenerator of the Khmelnitskaya nuclear power plant's first reactor was reactivated Tuesday morning. The reactor was stopped after an emergency alarm system went off Monday, the plant's press office told INTERFAX.

Level indicators in the steam generator reacted to a false signal that the level was lowering. An investigation is under way into what triggered the false alarm. The plant's security is normal and the radiation level has not altered.

Economic Issues

Foreign Currency Ban Heads Toward Monetary Reform

AU0808161895 Kiev MOLOD UKRAYINY in Ukrainian 4 Aug 95 p 1

[Report on interview with Anatoliy Halchynskyy, Ukrainian presidential adviser for macroeconomic issues, by Volodymyr Oliynyk: "Unfortunately, Such Long-Awaited Convertibility Is for Domestic Use Only...."]

[FBIS Translated Text] In the opinion of Anatoliy Halchynskyy, Ukrainian presidential adviser for macroeconomic issues, the Ukrainian National Bank's decision to stop the use of foreign currency in trade and services actually means the beginning of a monetary reform in Ukraine.

I asked Anatoliy Halchynskyy to comment upon the Ukrainian National Bank's resolution to stop the free circulation of foreign currency in Ukraine, since back on 18 February, when such a resolution was ready for implementation, it was not implemented. Precisely then, Anatoliy Halchynskyy, Ukrainian presidential adviser for macroeconomic issues, for whom the role of father of reforms in Ukraine had been predicted, said that such a step was inexpedient. "Even though I was not against it in principle," explained Anatoliy Halchynskyy now in a telephone conversation and continued: "Simply precisely at that time it was difficult to forecast whether such a step could match the start of a monetary reform. It is a different matter now that the time limits of its implementation have been specified — this coming fall. Now, it may be said that the removal of foreign cash from circulation is the first step toward monetary reform."

Anatoliy Halchynskyy went on to say this:

"We have long discussed the problem of excluding foreign currency from free circulation; there were serious arguments and proposals that this be done concurrently with the introduction of the hryvnya in Ukraine, but there arose fears lest this should complicate the functioning of Ukraine's financial system in this crucial time. It was therefore decided to stop free circulation of foreign currency in Ukraine starting from 1 August."

Answering my question whether this might somehow affect the state of trade and external trade contacts between Ukrainian and foreign partners, Anatoliy Halchynskyy assured me that this will not be the case, although there may be some temporary difficulties due to the change in the settlements procedure.

This is not the last step toward normalizing the circulation of foreign currency within Ukraine. Leonid Kuchma has signed the edict "On the Amnesty for Foreign Currency Deposits." One of the edict's important points is the fact that foreign currency settlements of enterprises or natural persons who for some reason do not want to make public their particulars, will not be prosecuted.

As regards foreign-currency shops, where settlements were made in U.S. dollars, pounds, German marks, and so on, there is no great commotion there. The majority of them had known well in advance about plans to remove freely-convertible currency from circulation and they now mainly revise the prices of their remaining goods at the rates of specific currencies sold to common natural persons. It is true that there will be problems for several days, because almost every shop sets these rates on its own, and this will probably immediately lead to price hikes of about 10-21 percent.

In accordance with the document issued by the Ukrainian National Bank, all foreign-currency settlements among trading enterprises and the sphere of services will only be made in karbovantsi and in foreign currency in forms that are common in world practice (debit and credit cards are meant here). At the same time, enterprises no longer have the right to receive cash in foreign currency. Foreign cash should not be accepted into collective investment funds, with the exception of banks. It is forbidden for enterprises to sell their shares to citizens or juridical persons for freely convertible currency or to pay dividends in freely convertible currency.

National Bank Chairman Holds News Conference

WS0908085695 Kiev INTELNEWS in English 2306 GMT 8 Aug 95

[By Oleksandr Shtolko, "Special to INTELNEWS"]

[FBIS Transcribed Text] Kiev, Aug. 8 — Ukraine is going to ask the International Monetary Fund for a little more breathing room in its inflationary targets, Viktor Yushchenko, chairman of the National Bank of Ukraine, announced Tuesday [8 August].

The NBU chief, speaking at a press conference in which he summed up Ukraine's financial activity for the first half of the year, said his bank is drafting a new monthly inflation target of 1.9 percent, up from the current figure of 1.2 percent, to be agreed to by common memorandum between Ukraine and the IMF.

Agreement on inflation and budgetary figures is essential if Ukraine is to receive about US$ 1 billion in standby credit already approved by the IMF.

IMF Deputy Director Stanley Fisher, visiting Ukraine last week, warned the country that any revision of reform or budget commitments could jeopardize the committed fund, saying at the same time that he came to Kyiv to demonstrate the IMF's commitment to the country.

"The situation with inflation is better than we expected," he added.

Better or not, current inflation levels are already much higher than even Yushchenko's revised target.

Prime Minister Yevhen Marchuk recently admitted that "it will be difficult for us to reach the (inflation) level of 1 to 2 percent per month."

"The present level of 4.6 percent is too high," he added.

Yushchenko said that the IMF Ukrainian mission representative highly appreciated the NBU's efforts to stabilize the monetary system.

The national bank chairman also vowed to keep to the course of monetary reforms, saying that the ban on cash hard currency transactions imposed at the beginning of the month was only a first step.

Yushchenko, however, was critical of the nation's banking system as a whole, saying that during the first half of the year 64 cases of violation of economic laws were revealed by audits of banks and that only 19 Ukrainian banks met the current minimum capitalization requirement of ECU500,000 as of the end of the period.

Yushchenko also summarized results of the country's efforts to clear up its payments crisis through the use of promissory notes, saying that as of June 1 the NBU received KBV562.7 trillion in mutual claims through the new system.

Of this, KBV224.3 trillion, or 40 percent, of the claims were recognized as valid. A total of 26.6 percent of the recognized sum was covered by pay assignments and 46 percent was transformed into promissory notes.

More on News Conference

WS0908093595 Lvov INFOBANK in English 0650 GMT 9 Aug 95

[From the "News Service" feature]

[FBIS Transcribed Text] During a press conference on August 8 Chairman of the National Bank of Ukraine, Viktor Yushchenko, revealed that at this time several possible plans for the implementation of a monetary reform in Ukraine exist, but that the government has made no decision on which plan it will choose. In his words the National Bank of Ukraine is preparing a special informational campaign which will help Ukrainian citizens exchange the old denominations for new ones with as little trouble and expense as possible.

Belarus

Lukashenka Meets Turkish Minister, Accepts Invitation

WS0808135595 Minsk Radio Minsk Network in Belarusian 1200 GMT 8 Aug 95

[FBIS Translated Text] Today Belarusian President Alyaksandr Lukashenka received Turkish Foreign Minister Erdal Inonu. During the talks, the issue of the development of Belarusian-Turkish relations was discussed, particularly interaction between Belarus and Turkey in the pan-European structures. In addition, Lukashenka emphasized that our Republic is striving to reach a harmonious and effective balance between the eastern and western directions in its foreign policy. Both sides expressed their interest in developing long-term friendly relations. On behalf of Turkish Republic and President Suleyman Demirel, Mr. Inonu presented the Belarusian president with an invitation to pay an official visit to Turkey. Alyaksandr Lukashenka accepted the invitation with gratitude. The date of the visit will be set through the diplomatic channels. Particular attention was paid to the improvement of trade and economic contacts between the two states.

Accords Signed With Turkey

LD0808183495 Moscow ITAR-TASS in English 1723 GMT 8 Aug 95

[By Igor Ruban]

[FBIS Transcribed Text] Minsk, August 8 (ITAR-TASS) - A package of Belarusian-Turkish agreements has been signed during a two-day visit to Belarus of Turkish Foreign Minister Erdal Inonu.

A friendship and cooperation agreement was initialed today at the government headquarters in Minsk and accords signed on mutual investment protection, auto and air services and cooperation in education, science, culture and sport.

Inonu met Belarusian President Alyaksandr Lukashenka and Prime Minister Mikhail Chyhir.

The Belarusian leaders expressed interest in a broader cooperation with Turkey.

They recounted to Inonu Belarus' difficult progress of reforms.

Inonu promised Turkey's assistance to reforms.

He expressed hope that trade between the two states would be expanding to a volume which Turkey has with Russia.

Belarusian Foreign Minister Uladzimir Syanko, who spoke at a news conference after the meetings, commented on the expulsion of Turkish diplomats from Belarus last autumn on charges on espionage.

"The main thing is that the relations (between the two states) have not come close to a conflict situation," Syanko said.

He said Belarus was intent to develop its relations with Turkey.

Asked why Belarus had suspended cutbacks in its conventions arms, Syanko said this was underlined by financial problems.

"That agreement was signed when there was the Soviet Union, and Belarus was not an initiator of piling such an amount of nuclear weapons on its soil," the minister said.

He acknowledged substantial assistance to Belarus's nuclear disarmament programme from the world community, primarily the United States.

Syanko said Belarus was rightful in expecting assistance in scrapping its conventional arsenals too.

He said Belarus saw the conventional arms treaty as crucial part of European security.

Belarus would soon embark on a conventional arms abolition programme with assistance from Western partners, Syanko said.

He said one of the subjects of the talks with Inonu was the drive of East European states for membership of NATO.

The Belarusian leaders and Inonu agreed that those states were rash in their quest for membership and that changes in Europe should not occur abruptly, Syanko said.

Foreign Ministry Official on Arms Supply for Iran

LD0808192195 Moscow INTERFAX in English 1702 GMT 8 Aug 95

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] Moscow, Aug 8 (INTERFAX) - Belarus intends to supply Tehran only with conventional arms, a senior member of Belarus' Foreign Ministry told INTERFAX in Minsk on Tuesday [8 August].

As he said, the agreement on military cooperation signed between Belarus' Prime Minister Mikhail Chyhir and Iran's Vice President Hasan Habibi in mid July "does not conflict with any international requirements."

"Belarus has every right to trade in conventional weapons with a country against which neither the U.N.

nor other international orgnizations imposed restrictive sanctions," the diplomat said.

Earlier this year Poland sold Iran a large number of tanks. "This gave rise to no concern either in the East or in the West," he said. "Minsk would also like to trade honestly and openly."

In accordance with international agreements Belarus has 298 tanks destined for exports.

"Minsk would like to sell them by next May, when a conference to review the treaty on conventional forces in Europe is to take place," the diplomat noted. "So far we have sold less than one-tenth of our military equipment destined for exports."

He categorically denied the allegations that Belarus might begin to cooperate with Iran in the nuclear area. "The sales of nuclear arms components or technological cooperation in that area have never been mentioned," he concluded.

Joint Belarus-U.S. Company Praised

WS0908093895 Minsk Radio Minsk Network in Belarusian 0300 GMT 9 Aug 95

[FBIS Translated Text] Some $150,000 for paying dividends will be received by the Mogilev-based "Khimvolokno" [chemical fiber] production amalgamation, given that it is one of the initiators of the Belarusian-U.S. "Belpak" enterprise. Its partners are the renowned Pepsi Cola Company and the (Eastman) Chemical Company. The U.S. partners who met with the Belarusian colleagues in Mogilev highly assessed the primary indicators of the joint enterprise's work, whose increase in production has surpassed the most optimistic forecasts. The quality of production was also highly assessed, and this is testified to by the fact of a lack of complaints from consumers and also the activation of the enterprise's efforts in penetrating new markets in East and West Europe.

New Service To 'Strengthen Presidential Control'

WS0908085895 Minsk Radio Minsk Network in Belarusian 0300 GMT 9 Aug 95

[FBIS Translated Text] The Presidential Administration Control Service has been transformed into the Presidential Control Service of the Republic of Belarus. The edict signed by Alyaksandr Lukashenka says that the goal of this transformation is to strengthen presidential control in the Republic, ensuring organizational unity and effectiveness of the control activities.

Agriculture Minister on Collapse of Collective Farms

WS0808115895 Minsk ZVYAZDA in Belarusian 3 Aug 95 p 1

[Report by Valyantsin Zhdanko: "Minister Vasil Lyavonaw Admits That the Collective Farm System Is Doomed To End. Mass Disintegration of Collective Farms May Occur As Early As This Fall"]

[FBIS Translated Text] **The absolute majority of Belarusian kolkhozes and sovkhozes are dying — by natural death and at a rapid pace. A convincing assertion of the fatal end of our collective farm system was voiced by Minister of Agriculture and Foodstuffs Vasil Lyavonaw on 2 August.**

According to his information, only 67 collective farms (less than 3 percent of all kolkhozes and sovkhozes) have their own working capital and are able to make both ends meet. The rest of collective farms are bankrupt and can only hope for support from the state budget. The volume of production, as compared to that of 1986, has decreased by 35 percent. The current meat and milk production by the Belarusian agricultural sector is approximately at the level of the early 1970's. Analysts from the Ministry of Agriculture and Foodstuffs predict that unless a real reform begins in the countryside and the current rate of dying off is halted, production may drop to the level of the early 1960's over the next four years.

Mr. Lyavonaw may be given credit by journalists for not laying the blame on either the disintegration of the socialist system or the famed "broken ties." The agricultural minister sees the main reason for this collapse in uncompetitive goods produced by the ineffective collective farm system.

According to Mr. Lyavonaw, as of today, there are no barriers to importing, for example, butter at $2.1 for one kg, or beef at $1.5 for one kg. An immense Russian market is open for trade, earning money, and developing production. The problem is in elementary things: The production cost of one kg of butter amounts to $2.3-2.5 for an average Belarusian collective farm. Such a high production cost, of course, is not caused by wages paid to dairy maids and cowboys, which are scanty, but by generally bad management and all- embracing thefts in our collective farms. Under the close-to-market circumstances, when the possibility to "spiral up" prices — being already at the world level — has vanished, the collective farm system showed its full lack of vital capacity and complete failure in competition with the private ownership sector.

It is noteworthy that Minister Lyavonaw understands this and does not conceal his conclusion that there is no other way out than changing the form of ownership in the agricultural production sector. Changing the structure of production should be accomplished simultaneously with a change in price relations. Another matter is that reforms in the countryside will face (and are already facing) a mad opposition on the part of those benefiting from the current disorder, anarchy, and slow decay. Those people primarily include petty bureaucrats of all levels. According to Mr. Lyavonaw, east of Minsk the number of superiors in collective farms is equal to that of tractor operators. The bureaucratic breed — while manufacturing nothing and, in essence, responsible for almost nothing — hold their chairs with a strong grip, receiving their stable, but in essence unearned, salaries.

I asked Vasil Lyavonaw whether he does not fear that the process of reform in the countryside, due to careless attitudes on the part of higher state leaders, may be extended for an indefinite period of time. He answered that he has no such apprehension. Of course, there will be no forcible privatization campaign — neither Mr. Lyavonaw nor his assistants approve of forcing this process. However, according to his words, agricultural managers themselves will realize by this fall (or by the subsequent spring at most) that it is impossible to live this way any longer. Such enormous shifts in their consciousness will take place due to a very simple reason — the collective farms will simply run short of means to exist.

The minister is cherishing great hopes for foreign (in particular, Russian) investments. However, no normal capitalist is going to invest in collective farms. By the way, investments are the main subject of Lyavonaw's trip to Moscow and his meetings with business circles there on 3 August.

On 4 August, during the visit of Moscow Mayor Yuriy Luzhkov to Minsk, Vasil Lyavonaw will also ask for investments in the Belarusian food industry. The Belarusian minister will negotiate supplies of milk and meat products, potatoes, vegetables, as well as canned fruits and vegetables to Moscow. The main issue in these negotiations will be the price for Belarusian products. There already was a case this past May when Moscow refused to import Belarusian beef at $1.5 for one kg and switched to Ukrainian and Romanian meat at $1.2 for one kg. Brotherly feelings did not help in this case. Pledges by "red landlords" sound good only in the parliamentary session hall, while meaning nothing in negotiations with business people.

Moldova

Russia Accused of Blocking Dniester Settlement

LD0808153695 Moscow INTERFAX in English 1345 GMT 8 Aug 95

[FBIS Transcribed Text] Chisinau, Aug 8 (INTERFAX) — Moldova's opposition leader on Tuesday accused Russia of blocking resolution of Moldova's conflict with its breakaway region of Transdniester.

Valeriu Matei, chairman of the United Democratic Congress, the former Soviet republic's main opposition party, told the Moldovan newspaper Mesager that the latest developments in Transdniester made it clear Moscow backs the region's separatist regime and does not wish the conflict to be settled, but instead seeks to hold on to its influence over Transdniester.

"The replacement of Aleksandr Lebed, who was in opposition to the Tiraspol (regional capital) regime, is effectively an act of open support for that regime by Russia," Matei said. Lieutenant-General Lebed has been dismissed as commander of Russian troops stationed in the region with predominantly Slav population.

As for a recent Moldovan law to grant "political amnesty" to Transdniestrians who took part in armed clashes with Moldovan troops, Matei called it "absurd" since "the Tiraspol side has not made a similar commitment."

Going over to the issue of Moldova's proposed unification with Romania, Matei said the opposition wished Moldova to be part of the neighboring Balkan country. "It is necessary to realize that, in territorial terms, Moldova, just as East Germany and North Korea, is an aftermath of the Second World War," he said.

Dniester Speaker: Politics Threaten Negotiations

AU0808185695 Chisinau INFOTAG in English 1737 GMT 8 Aug 95

[FBIS Transcribed Text] Tiraspol INFOTAG, 8/8/1995 — Dniester Parliament Chairman Grigoriy Marakutsa presumes that the current changes on the Moldovan political arena may inflict damage to the well-developing dialogue between Tiraspol and Chisinau.

In his interview with INFOTAG, Marakutsa said that "the contradictions between top Moldovan leaders are influencing negatively the negotiation process, and are making it impossible for Chisinau to work out a unified position concerning Dniester."

"I am not so well informed about the new presidential party and its program to draw any far-reaching conclusions. However, one thing is quite clear: Some of

Snegur's last steps are aimed at a further Romanization of Moldova — a phenomenon categorically opposed by Dniester. No doubt, this will never promote the stabilization of the situation in the region," Marakutsa stressed.

Explaining which steps he meant, the speaker said that "first and foremost, this is his legislative initiative to re-name the official language back to Romanian." Marakutsa believes this initiative is nothing but "flirting with moderate nationalistic forces in the United Democratic Congress."

At the same time, Marakutsa pointed out that there was no sense in dramatizing the situation and in making a tragedy out of the split in the ruling Democratic Agrarian Party of Moldova [PDAM]. "We do like certain provisions in the PDAM program. But this does not mean that we cannot cooperate with other parties and movements which will propose reasonable ways to overcome the existing differences. We are ready to cooperate with all political forces in Chisinau, except with extremists and pro-Romanian unionists, whose ideas are unacceptable for us," Grigoriy Marakutsa stated.

Dniester Population Decreases Due to Mortality, Migration

AU0908063495 Chisinau INFOTAG in English 1737 GMT 8 Aug 95

[FBIS Transcribed Text] Tiraspol INFOTAG, 8/8/1995 — In January to June this year, the Dniester region was left for good by 10,564 people, which is 13 percent more than in the same period last year, INFOTAG was told in the Dniester Statistics Department.

According to official local statistics, over 40 percent of the immigrants were citizens of Tiraspol, and another 40 percent lived in other towns. Net migration loss of population constituted 3,977 persons — five times greater than was in 1994.

Over half of the immigrants left for Russia, with the rest having moved mostly to the right bank of the Dniester and Ukraine. And only some 5 percent went "far abroad," predominantly to Israel and Germany.

Forty-nine percent of the immigrants were males, and 19 percent were children aged under 16.

The chief reason of their leaving was the threatening rate of deterioration of local standards of living, which are by far much lower than in other regions in the former USSR.

In the first half of this year, 3,675 children were born in Dniester — 499 infants (14 percent) less than in 1994. Among them, 39 were stillborn, which is 10 percent more than last year.

During the period in question, the natural decrease of population amounted to 611 persons, against 38 persons last year. This was caused not only by a lower birth rate, but also by a greater mortality rate: 4,286 people died in the region during the six months, i.e. 74 persons more than in 1994.

With an account of the above migration and natural losses, the Dniester region population decreased by 4,588 persons in January to June, which is 5.5 times more than during the same period in 1994.

In 1995, there were 2,048 marriages (13 percent less than in 1994) and 1,781 divorces (3 percent more) registered in the region.

Bendery Citizens Protest 'Dismissal' of Bishop

AU0908063295 Chisinau INFOTAG in English 1737 GMT 8 Aug 95

[FBIS Transcribed Text] Bendery INFOTAG, 8/8/1995 — Believers and priests in 10 south-eastern Moldovan areas, which form the Bishopric of Bendery, have expressed a protest against a decision taken by the Synod of the Russian Orthodox Church to dismiss Reverend Vikentiy Moraru from the post of the Bishop of Bendery.

According to this decision passed on 18 July, Bishop Moraru has been ordered to move to a new place of office — to Siberia, where he has been given the post of the Bishop of Abakan and Kyzyl. His vacancy shall be filled here by Reverend Yustiyan, currently the dean of the Patriarch Cathedral in Tver (in central Russia,) who took a four-year long course of training in Bucharest and speaks Romanian.

As INFOTAG was told by church sources in the Dniester region, the believers consider Moraru's dismissal as a reprisal coming from the Dniester administration, with whom the bishop had irreconcilable differences. The president of the self-styled Dniester Republic, Igor Smirnov, has many times begged Moscow to replace the "inconvenient" leader of the Orthodox Church in the region.

In their letter to the Moscow Patriarchy — with copies sent to the Bucharest Patriarchy, the Universal Constantinople Patriarchy, and the Moldovan Administration — the believers have requested to revise the decision, which, in their opinion, contradicts the status of an independent church received by the Chisinau Orthodox Church on 19 August 1994. The authors of the letter named the dismissal as a "neo-deportation," and stated that in case it is not canceled they will be forced to seek protection of other patriarchies.

PDAM Split Said Leading to Split in Administration

AU0808190295 Chisinau INFOTAG in English 1737 GMT 8 Aug 95

[FBIS Transcribed Text] Chisinau INFOTAG, 8/8/1995 -- The split in the ruling Democratic Agrarian Party of Moldova [PDAM] is leading to a split in the state administration, political analyst Petru Bogatu stated in today's issue of TARA, the Christian-Democratic Popular Front of Moldova's newspaper.

Mr. Bogatu wrote in his political commentary that "the process of splitting the authorities develops with the involvement of secret services and high-ranking officials".

"There is no doubt that the 8-10 ministers, which joined Mircea Snegur and the 11 MPs who quitted the PDAM will form the stem of the Party of Revival and Accord. Moreover, the presidential camp has an evident advantage over the PDAM: the camp unites the most expert representatives of the authorities," Bogatu wrote, and attempted to divide the government into two groups, one supporting Snegur, and the other backing the PDAM.

One of the new presidential party's initiators, Nicolae Andronic, has claimed as groundless rumors that about 10 current ministers are ready to hand in their resignation. He stated in the latest issue of the MOLDOVANUL newspaper that "some governmental circles are struggling against the new party. And one of ministers stated at a recent government sitting that the Party of Revival and Accord is backed by interested Romanian circles." Hinting at the minister of security, Nicolae Andronic said that "the minister has ordered his officers in the localities to begin discrediting those people who will join the new party."

"I think there is no sense in the government's resignation, for the Moldovan people should see themselves that this government is unable to pull the republic out of the current crisis," Andronic said.

The government should be given a possibility to implement its program to the very end, and there is no sense in making conclusions based on some intermediate results, Andrei Sangheli said over the National Television on Monday [7 August] night.

Answering a question about a possible resignation of the cabinet, he stated that "this problem was the subject matter of a very serious and sincere discussion held between the members of the government recently." "Should the resignation be necessary, we are ready to leave. But the stakes made on us are too high to be ignored that simply. The team is formed of best professionals, and its members have earned a favorable image both inside the republic and abroad. The state has paid quite a sum for training the ministers and state department directors abroad. And if the government really retires, none of the ministers will suffer personally, but the republic will have to begin the economic reform anew," Sangheli warned.

"The cabinet has been nominated by Parliament, and we shall honestly work as long as that forum trusts us." "We are a ruling party's government, and we are obliged to conduct the party's policy, which forms the foundation of the government's program," the prime minister reminded.

Answering a question about the split in the PDAM, Andrei Sangheli said: "No tragedy should be made out of it." In his opinion, a tragedy is for those who left the party recently. As for the party itself, its tragedy was when these people joined the PDAM.

Kazakhstan

Iranian Foreign Minister, Delegation Arrive in Almaty

LD0708215895 Tehran IRNA in English 1315 GMT 7 Aug 95

[FBIS Transcribed Text] Almaty, Aug. 7, IRNA — Iranian Foreign Minister 'Ali Akbar Velayati heading a political, economic and cultural delegation arrived in Almaty, Kazakhstan on Monday [7 August].

Velayati's visit to Kazakhstan is being made at the invitation of his Kazakh counterpart.

The Iranian delegation is expected to hold talks with Kazakh officials to follow up the agreements already reached between the two countries in political, economic and cultural areas as well as mutual cooperation within the Economic Cooperation Organization (ECO) and the Organization of the Caspian Sea littoral states.

Toqayev, Velayati Confer on Caspian Sea

LD0808144795 Tehran IRNA in English 1328 GMT 8 Aug 95

[FBIS Transcribed Text] Almaty, Kazakhstan Aug. 8, IRNA — Foreign ministers of Iran and Kazakhstan here on Tuesday [8 August] emphasized the need for speeding up formulation of the Caspian Sea legal system.

'Ali Akbar Velayati and Qasymzhomart Toqayev also underlined the importance of resolving the crisis in Tajikistan and hailed the accord already signed between Tajik president and opposition in Tehran.

Velayati said Iran believes that the only solution to the Tajik crisis is peaceful negotiations and mediation efforts to pave the way for peace.

The two foreign ministers discussed the topic of the five Caspian Sea States Cooperation and the meetings held in Almaty and Tehran in the past several months and said the legal system of the Caspian Sea, the status of environment and resources of the Caspian Sea should be defined clearly. They outlined cooperation in the spectrum of the organization of the Caspian Sea littoral states.

Velayati said cooperation in the Casian Sea will lead to optimum use of the Caspian Sea resources. He said the five Caspian Sea states should hold consultations to formulate the legal system of the sea as soon as possible and cooperate with each other in the field of shipping, fishery, environment, and setting up a Caspian Sea news agencies pool.

Velayati cautioned against unilateral exploitation of the Caspian Sea before declaration of the legal system becuase it may jeopardize the prospect of cooperation among the Caspian states.

Kazakh foreign minister said the littoral states should hold systematic negotiations in this regard.

The two foreign ministers also discussed issues related to the Economic Cooperation Organization (ECO). The Kazakh foreign minister said, "We are interested in turning the ECO into an active international organization in light of the potentials of the member states."

Velayati on his part stressed the need for further promotion of the ECO through acceleration of the projects ranging from aviation, shipping, and insurance to banking.

He criticized the United Nations for its inability and indifference to deal with the crimes being commited in the independent states of the Balkans and called for practical action of the Islamic states to support Bosnian Muslims.

Tikayev expressed concern over the bloodshed and the Serbs' aggression and said Kazakhstan will set up diplomatic relations with Bosnia.

They also discussed bilateral relations. The Kazakh foreign minister will follow up the accords between the two countries in his forthcoming visit to Tehran.

Nazarbayev Discusses Bilateral Issues

LD0808145195 Tehran IRNA in English 1357 GMT 8 Aug 95

[FBIS Transcribed Text] Almaty, Aug. 8, IRNA — Iranian Foreign Minister, 'Ali Akbar Velayati, here on Tuesday held talks with Kazakh President Nursultan Nazarbayev on bilateral, regional and international issues as well as peace in Tajikistan.

Velayati and Nazarbayev discussed Tehran-Almaty joint cooperation within the framework of the Economic Cooperation Organization (ECO) and the Organization of the Caspian Sea Littoral States.

The two sides emphasized on ending the ongoing genocide in Bosnia-Herzegovina.

Velayati handed over an invitation from President Akbar Hashemi-Rafsanjani to president Nazarbayev to visit Tehran.

President Nazarbayev accepted the invitation and said he will make a visit to Tehran in the future.

Velayati arrived in Almaty on Monday.

Invitation From Rafsanjani Extended

LD0808222495 Tehran IRNA in English 2014 GMT 8 Aug 95

[FBIS Transcribed Text] Tehran, Aug 8 (IRNA) — Foreign Minister 'Ali Akbar Velayati delivered a written message by Iran's President Hashemi-Rafsanjani to the President of Kazakhstan Nursultan Nazarbayev in Almaty today.

Velayati also extended an invitation to Nazarbayev from his Iranian counterpart to visit Tehran.

The president of Kazakhstan welcomed the invitation and indicated the interst of his country to further develop relations with Iran.

He said ten Iranian companies were active in Kazakhstan.

He said the positions of the two countries are very close in relation to important global issues.

Nazarbayev stressed the readiness of his government to strengthen mutual cooperation within the framework of the 10-nation Economic Cooperation Organization (ECO).

The two officials also exchanged views on the sale of Kazakh oil on the international market through Iran.

Yuriy Kim on Draft Constitution Referendum

954F2995A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 4 Aug 95 p 1

[Interview with Yuriy Kim, chairman of the Central Election Commission, by Yevgeniy Nekrasov, KAZAKHSTANSKAYA PRAVDA; place and date not given: "I Believe the Referendum Will Proceed Successfully"]

[FBIS Translated Text] As we know, on 30 August, in compliance with the edict of President of Kazakhstan N. Nazarbayev, a republic referendum will be conducted on the draft of the new Constitution of the Republic of Kazakhstan. The edict evoked a number of questions from our readers, and clarifications regarding some of them are given by the chairman of the Central Election Commission, Yuriy Kim.

[Nekrasov] Yuriy Alekseyevich, this might not be the most significant question, but anyway—why will the referendum begin exactly on 30 August, a Wednesday, and will this be declared a nonworking day?

[Kim] In my view, two circumstances played a decisive role in determining the date of the referendum. First, the period allotted for discussion of the draft of the new Constitution has expired. During this time the draft has "ripened," as it were, and further work on it is not likely to be advantageous. For any document can be discussed and improved for as long as you like, thus prolonging the solution to the problem in essence, but the state cannot allow the Constitution to be in a "suspended condition." For it is necessary to elect a new parliament and adopt new laws that do not "fit" into the existing Constitution.

Second, 30 August, in my opinion, is the optimal date for preparing for conducting the referendum. This day does indeed fall on a Wednesday, but we do not think there is any need to declare it a holiday. The hours of operation of the polling stations—from 0700 to 2000 hours—will make it possible for working citizens to participate in the referendum. But if the new Constitution is adopted on the referendum, this day will be declared a state holiday—Constitution Day of the Republic of Kazakhstan.

[Nekrasov] How are the questions worded on the ballot, and how many of them will there be?

[Kim] There will be one question on the ballot, and it will be worded like this: "Do you accept the new Constitution of the Republic of Kazakhstan, the draft of which was published in the press on 1 August 1995?" There are two answers to this question: "Yes" and "No." Leave the one you agree with and cross out the other.

[Nekrasov] But then the next question arises. The draft Constitution placed on the referendum has nine sections and 98 articles, almost every one of which contains several points. What about a person who agrees with the majority of them but fundamentally objects to a small part of the draft?

[Kim] That is perhaps the most difficult question. But I want to say that the form of adoption of the Constitution through a referendum is not simple either, although there are precedents in world practice in Russia and France.

Every citizen must determine his or her attitude toward the draft Constitution in principle based on its concept, measuring the draft against the realities of life. Of course, a certain part of the population might not like certain articles, but that does not mean that they have to reject the entire draft as a whole.

Let us conduct a poll of the population: Do all of them approve of every one of the 131 articles of the currently existing Constitution? I assume that we are not likely to receive an affirmative answer. Therefore, in my view, to vote in the referendum one must proceed from the general direction of the draft of the Basic Law. In the larger sense this is a matter of confidence in the course of the reforms and President N. Nazarbayev. Ask if there is an alternative, and everything will fall into place.

[Nekrasov] May people who agree or disagree with the draft Constitution publicly express their opinion now, after the nationwide discussion ended on 30 July?

[Kim] Yes, of course. Campaigning "for" and "against" the draft Constitution may be done in all the forms established by law, but not on the day of the referendum. But I want to emphasize that the text of the Basic Law published in the press on 1 August is final and in spite of arguments and good intentions on the part of public organizations and individual citizens, no changes will be made in the draft. That is, the draft Constitution will be adopted on the referendum only completely and fully or else not at all. This will depend on the expression of the will of the citizens.

[Nekrasov] How do you see the role of the Central Election Commission in the forthcoming referendum and the tasks facing it?

[Kim] The president's edict makes the Central Election Commission and its territorial and precinct commissions responsible for organizing and conducting the republic referendum. We are very seriously preparing for this extremely important sociopolitical measure. The experience in conducting the referendum on extending the president's term of office, conducted on 29 April of this year, has been taken into account, as have the pluses and minuses in the work of the preceding Central Election Commission. At the present time, we are preparing to print the ballot in the Kazakh and Russian languages and also the languages of the populations residing densely in certain regions—Uzbek and Uygur. Organizational work is being done with the heads of local administrations and territorial and precinct commissions who have already begun to refine the lists of their citizens.

Incidentally, the territorial division among the precincts is the same as it was before, and the voting procedure for citizens who have temporarily left their permanent place of residence will not change—they will use detached coupons of "foreign" precincts. We have begun to register observers from public associations who will be in the precincts during the voting and counting of the votes.

Remember that the Constitution will be considered to be adopted if more than 50 percent of the citizens of the republic participate in the referendum and more than half of them answer "Yes" on the ballot. On 31 August we will already be able to report the preliminary results of the referendum, and a couple of days later—the precise figures.

As chairman of the Central Election Commission and a citizen of the Republic of Kazakhstan, I believe that the referendum will proceed successfully and will be a noteworthy landmark in our country's historical development.

Sapsay Case May Involve Political Figures

954F2997A Almaty KARAVAN in Russian 4 Aug 95 No 31, p 1

[Article by Gennadiy Benditskiy: "Continuation Follows. Sapsay Case Already in Court"]

[FBIS Translated Text] It has been learned that the investigation of the case of the deputy defense minister for arms questions, Major General Valeriy Sapsay, ended a couple of days ago. Military procuracy organs have turned the case over to the courts. It will be heard by the Military Collegium of the Supreme Court. It is still difficult to predict whether the procuracy will be able to prove the general's guilt in court. According to our information, right before the end of the investigation of the Sapsay case, very significant evidence appeared, which makes it possible to doubt that he had a selfish interest in delivering Kazakhstan's arms abroad. In this context one can understand the statement from Valeriy Sapsay himself which recently made its way to our editorial offices: "I will never plead guilty to the accusations made against me, since my only purpose in participating in the aforementioned case was to strengthen Kazakhstan's defense capability."

On the other hand, one cannot forget about the possibility of the existence of a number of political figures who are vitally interested in seeing Sapsay in jail. For if they do not succeed in convicting the deputy defense minister as the main person to blame for what happened, the chain of the investigation could extend even further....

Officials Meet To Discuss Increasing Crime

954F2993A Almaty EKSPRESS-K in Russian 4 Aug 95 p 4

[Report by Aleksandr Shtamm: "Since the Beginning of the Year Alone, Six Contract Murders Have Been Committed in the Republic"]

[FBIS Translated Text] These crimes stir up the public, cause among a people the feeling of fear and distrust in the ability of "competent organs" to cope with the wave of crime that has overcome the society. Half have not been solved to this day.

These alarming data were quoted at the recent meeting of the collegium of the RK [Republic of Kazakhstan] general procuracy. The criminogenic situation in the republic remains tense, General Procurator Zh. Tuyakbayev acknowledged in his remarks. There has been an increase in the number of grave crimes, including premeditated murder, grave bodily harm, and rape. The criminogenic situation has worsened in the armed forces as well. Abuse of position, bribes, and encroachments on military property and weapons have blossomed here.

Repeat and group crime continues to grow. Over the past five years it increased by 36 percent, and there is no sign of decline in sight.

At the same time, according to the general procurator, there have also been certain successes. Preventive Operation Law Enforcement stabilized the situation somewhat. Its implementation perceptibly reduced the growth of the crime rate as compared to the first quarter of the year. As compared to last year, street crime and hooliganism declined by 12 percent. The number of apartment burglaries, robberies, and muggings declined, respectively, by 9, 15, and 9 percent. The crime rate declined substantially in Pavlodar, Aktyubinsk, Zhezkazgan, and other oblasts.

To a certain extent, the stereotype perception of contract murder as an unsolvable crime has been dispelled. For instance, despite the absence of material evidence, witnesses, and good description of the criminal, the murder of Kalbakhani, the commercial director of the Almaty branch of the Vybor company, committed in March of this year, was solved. Also solved were the murder of Kazakhstan kick-boxing champion Sadykov, and that of Kalashnikov—for $30,000.

At the same time, inspections conducted by the general procuracy indicate attempts of some law enforcement organs to embellish the picture of crime-solving, to create an appearance that all is well on the local level. Of almost 2,000 crimes uncovered in the republic over the first half-year, only in 327 instances cases were referred to courts. Sometimes it gets to the point of outright falsification of primary documents, complete with forged signatures. Such a fact occurred, for instance, in Leninogorsk in East-Kazakhstan Oblast.

Improving the indicators of investigative work should not be a goal in itself, emphasized the general procurator. This is only a means of real implementation of new priorities in investigative work. Success in fighting crime can be achieved only through coordination of the efforts of the internal affairs organs and the procuracy. And in this respect, general oversight plays an important role. For instance, just by the results of procuracy audits over the half-year, 882 criminal cases were initiated in the republic, which is almost twice as many as over the analogous period of last year. Fourteen percent more cases have been referred to courts; the number of cases where the procedural time frame was violated, dismissed, or returned for additional investigation has declined.

At the same time, some procurators too try to improve the quantitative indicators at any cost. And quite often initiate cases on facts of little significance against persons of secondary importance. Procuratorial investigation is conducted superficially, and as a result, one-quarter of such cases have to be later dismissed or the courts send them back for additional investigation.

Today effective operation of procuracy organs is impossible without taking into account the changed priorities and the fullest use of the power of new acts and resolute change in crime-fighting tactics, emphasized the general procurator.

Representatives of law enforcement and government organs, city and oblast procurators took part in the collegium's work. Many speakers also acknowledged the necessity of new approaches to the fight against crime, whose character and forms change from day to day.

Tajikistan

UN Envoy Returns From Kabul; Talks With President

LD0808120495 Moscow ITAR-TASS in English 1123 GMT 8 Aug 95

[FBIS Transcribed Text] DUSHANBE, August 8 (ITAR-TASS) — The envoy of the U.N. secretary general in Tajikistan, Ramiro Piriz Ballon, has returned to Dushanbe from Kabul today. His four-day visit to Afghanistan to meet leaders of the Tajik opposition led by Sayed Abdullo Nuri had been to no avail since the head of the Tajik movement of Islamic Revival had not arrived in Kabul from Tehran. The U.N. envoy is expected to make another visit to Kabul on August 10-11 to meet Sayed Nuri who said that he would keep his promise and will be there. Prior to the departure to Kabul the U.N. envoy will hold a series of consultations with the Tajik president Emomali Rakhmanov who had suggested that the fifth round of Inter-Tajik talks be held in the Turkmen capital Ashgabat.

Rakhmanov's proposal has not been accepted by the leader of the Tajik opposition who prefers that the talks be held in Tehran. To break the deadlock over the talks the U.N. envoy arrived in the region on July 29 and suggested holding the talks in Europe. All sides — participants in the talks should give their consent for the U.N. Security Council to make a final decision on the place and date of the talks.

The U.N. envoy told journalists in Dushanbe today that he was optimistic about the talks. Speaking to Abdullo Nuri by telephone, the U.N. envoy reached understanding on a number of organizational issues, including an opinion that there was no alternative to the peaceful solution of the Tajik problem. The U.N. envoy expressed an opinion that the Tajik opposition despite signs of the split in its ranks has preserved its unity with its nucleus being the movement of Tajik Islamic revival. Upon arrival in Dushanbe the U.N. envoy went from the airport to attend consultations with the Tajik president. The consultations are being held behind closed doors.

Presidential Spokesman on Freedom of Speech

LD0808183095 Moscow INTERFAX in English 1757 GMT 8 Aug 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] President Emomali Rakhmanov's spokesman Davlatali Davlatov said no restrictions would be put on freedom of speech in Tajikistan. IF Note: On July 20 the press services of the Security, Defense and Interior ministries received a circular letter by Prime Minister Makhmadsaid Ubaidulloyev, who "recommended" that the services do not give Tajik or foreign journalists any information on domestic events which had not been seen by the presidential press service.

"This is not a reanimation of censorship, nor can there be any such plans," Davlatov said commenting on the letter in an exclusive interview with INTERFAX. He also denied that the purpose the measure was to limit the rights of mass media.

"The aim of the document is to ensure concert and coordination among all the press services of the republic" and to have journalists provided with "only true information," he said.

What prompted the move were "unobjective publications by some mass media companies," which "published untrue information about events that were taking place in Tajikistan, especially about what was happening on the Tajik-Afghan border and about the domestic socio-political and crime situation."

"It is journalists' choice whether to take those recommendations into consideration or to continue receiving information from sources which in their opinion are trustworthy."

Meanwhile, the Democratic Party of Tajikistan qualified the "recommendations" as "a violation of the rights of journalists" and "totally groundless introduction of censorship."

The presidential press service "has received the monopoly right to publish information," party chairman Dzhumaboi Niyazov said in a statement obtained by INTERFAX on Tuesday.

"The measure will be to the advantage of only government mass media, which will thereby get rid of competitors."

"For nearly three years the population of Tajikistan has lived under a solid information blockade: it is impossible to buy Russian newspapers or magazines in the republic, let alone other foreign publications."

"The government is afraid of true information about the actual situation in the republic."

"The Democratic Party of Tajikistan demands immediate cancellation of the decision," which "contradicts the democratic principles to which Dushanbe has declared allegiance."

Turkmenistan

Economics Minister on Trade Pact With Russia

MM0808190595 Moscow ROSSIYSKAYA GAZETA in Russian 4 Aug 95 p 12

[Untitled "Commentary" by Turkmen Economics Minister Valeriy Otchertsov]

[FBIS Translated Text] At a meeting between the heads [of state] of Russia and Turkmenistan during S. Niyazov's visit to Moscow in May President B. Yeltsin noted that the agreement on the principles of trade and economic cooperation between the Russian Federation and Turkmenistan through the year 2000 was the first that Russia had signed with another state of the former Soviet Union. The signing of this agreement was preceded by hard work in Ashgabat and Moscow on the part of the government delegations.

With the signing of this document a step was made away from the old, previously existing forms. The agreement on cooperation through the year 2000 records a desire for broad, all-embracing cooperation in the development of the oil and gas complex.

Russia, as is well known, is one of the largest regions in the world in terms of hydrocarbon raw materials. Turkmenistan also reached the figure of 84 billion cubic meters of gas extracted in 1991, which makes it the world's fourth largest gas producer after the United States, Russia, and Algeria. Gas reserves in Turkmenistan are today estimated at 21 trillion cubic meters, and oil reserves at around 7 billion tonnes. That is to say, according to expert estimates, the reserves of Russia and Turkmenistan together constitute 60 percent of world reserves of hydrocarbon raw materials.

Turkmenistan and Russia have a common gas pipeline system and common political positions, and, as they say in such cases, God Himself ordained that we should cooperate. Especially since previous experience of cooperation — the shared training of our specialists, and equipment — are conducive to Russia becoming our major partner and participating in the development of Turkmenistan's oil and gas complex.

This found reflection in the agreement. Talks were held with the Ministry of Fuel and Energy and "Gazprom" and the Russian oil companies. We have not yet floated the oil and gas industry complex enterprises, and hence on our side only state organizations, enterprises, and concerns are to act as partners.

The agreement provides for Russia's participation in the joint development of the Caspian shelf and deposits on Turkmen territory and for joint activity in the export of oil and gas raw materials. This is a very promising field for cooperation, and is mutually profitable.

The question of creating a north-south transport corridor was also seriously discussed and found reflection in the agreement in question. This offers great prospects with regard to transporting goods from the European part of Russia along the Volga — the sea routes of the Caspian Sea and also Russia's railroad network, which runs from north to south. We had a gap in the Krasnovodsk (now Turkmenbashi) to Astrakhan sector. The railroad broke off there. The line ran through the territory of Uzbekistan and Kazakhstan, and reached the foothills of the Urals by means of this roundabout route.

The projects which we offered for examination tie in with Russia's projects for the modernization of the port of Olya — an ice-free port near Astrakhan, where the creation of a ferry crossing is envisaged. The expansion of our port in Krasnovodsk to receive ferries is also envisaged. The European Bank for Construction and Development has recently invited tenders to draw up technical and economic feasibility plans for these projects, and is funding them in order to establish communications between the port of Olya and Krasnovodsk. It must be borne in mind that we have one railroad section running from Krasnovodsk to Kazandzhik and beyond directly to the south, to Gordan, where a direct railroad line runs through Teheran to Bandar Abbas (on the Persian Gulf). We envisage the future construction of a railroad from Krasnovodsk through the isthmus of the Kara-Bogaz-Gol Gulf with a branchline to Yeralevo station in Kazakhstan, and this is the shortage route to Astrakhan. The creation of two competing branches is envisaged: the first, a railroad branch, and the second a mixed, rail-ferry branch. Initial calculations show that they are both viable and competitive. This competition will be between companies. When we were holding discussions between our delegations, the creation of joint Russian-Turkmen companies which would take on the design planning, construction, and subsequent operation of these routes, was envisaged. We are ready for banks and state and nonstate companies to take part in these companies, in other words, anybody who is interested in these projects. Before the revolution a joint Russian-Belgian railroad company existed. And why should we not now create a joint Russian-Turkmen company? The presidents, who took part in the talks during S. Niyazov's visit to Moscow in May this year, welcomed this idea.

It is necessary to bear in mind that we are currently working on a project with Pakistan for linking up the railroads from Kushka (the southernmost tip of Turkmenistan) via Gera with a branchline to Pakistan's railroads. This is the shortest route for Russia to a region with a population of 180 million, a large market for products of the machine-building complex and the technological and chemical industries. At the same time this is Russia's gateway to the southern seas — coming not in Zhirinovskiy's boots, however, but with Russian goods and technology.

The advantage for Turkmenistan of these projects is obvious. We become a port of call on the trade route. According to our specialists' assessments, freight trade with Iran alone could amount to 20 million tonnes per year. For us this means both extra profits and the creation of new jobs. Working groups to prepare technical and economic feasibility plans and prepare the creation of joint Russian-Turkmen companies to participate in the north-south project have currently been set up on both our side and the Russian side, as is noted in the agreement.

I would like to note a further factor which finds reflection in the document, namely the further restoration of the earlier existing production ties between Russian and Turkmenistan. Around 70 percent of Turkmenistan's industrial potential is geared toward Russia. By way of an example I can cite the plant for the production of machinery for the food industry, which traditionally delivered 90 percent of its output to Russia. The plant received metal from Russia. Today ties have been broken. We do not receive metal. As a result production has fallen significantly. Who gained as a result of this? In my opinion, no one. And after all, such ties exist in other sectors too: land reclamation, agriculture. Thus, for example, the "Grain" program has been implemented for three years now. Three years ago the production of wheat in Turkmenistan stood at 300,000 tonnes. This year we propose to collect not less than 1 million tonnes. For this we need new combines, milling equipment, and granaries. Russia can help us here. Of course, Russia has its own difficulties and problems at the present time. Even now in Russia the government cannot act as the guarantor of loans or open credit lines to encourage the export of its products. Because of this, we are currently forced to choose other partners. This is why one of the articles of the agreement reflects the idea of creating an appropriate payment mechanism to assist the creation of joint financial and industrial groups and holding companies. All this is aimed at supporting integration. The interest of Russian companies in receiving Turkmen agricultural raw materials is reflected in the document. Today cotton exports bring us a revenue of $600 million. Russian enterprises, I think, are interested in receiving cotton from us, rather than importing it from Egypt and the United States, since transport cost are constantly increasing. Russia has high-output production units which can make big profits, and our cotton producers are interested in cooperating with them in order to receive a share of these profits, not only from cotton, but also part of the extra profits on the sale of the finished product.

In short, an intrinsically new element in the agreement on cooperation through the year 2000 is the encouragement of economic entities of all forms of ownership via a system of joint joint-stock companies and financial and industrial groups.

Of the 1995 agreement it should be said that it faintly resembles a previous experiment, when we determined the volume of deliveries by reciprocal sales. To be fair it should be said that it does not have the previous rigid linkage. Lists are defined only of priority deliveries of goods and raw materials, irrespective of who the partner is — a private, state, or mixed enterprise. Let me add here that the volume of deliveries is significantly lower than the potential of both the Russian Federation and Turkmenistan. Calculations are made on the basis of world prices, based on contracts signed between the Roskontrakt joint-stock company and a number of Turkmen ministries.

In order to ease mutual payment a commodity and raw materials exchange has now been established in Ashqabat which can acquire products for local Turkmen currency — manats — and sell them on the Russian market. This will be of some benefit, for our enterprises' debts to Russian enterprises are very large, but the position could be rectified in a very short time, since we hope that payment for Turkmen gas will arrive already this year, and the problem of the indebtedness of Turkmen enterprises to Russian companies and businessmen will be eliminated.

Armenia

Director of 'Haygas' Discusses Gas Purchase Issue

NC0808135995 Yerevan NOYAN TAPAN in English 1719 GMT 7 Aug 95

[FBIS Transcribed Text] 07/08/95 NOYAN TAPAN—An official Armenian delegation headed by Armenian Minister of Energy Gagik Martirossyan, which arrived in Turkmen capital in a bid to settle the problem with supplies of natural gas to Armenia, had several meetings at the Turkmen Ministry of Gas and Oil and the Ministry of Trade.

Also tripartite negotiations with the participation of Georgian delegation were held.

General Director of "Haygas" Concern Roland Adonts in an interview to NOYAN TAPAN's journalist confirmed information spread by Turkmen mass media that from now on Armenia will have to purchase Turkmen gas on the Russian-Georgian border. This is explained by the fact that last week Turkmen and Georgian delegations failed to reach an agreement on supplies of natural gas to Georgia. As a matter of fact, Armenia will have to pay for the total volume of gas supplied through the Russian-Georgian border, and thereafter agree with Georgia on distribution of this gas and payment for it.

Adonts pointed out that during the first half of 1995 Armenia was supplied natural gas equivalent to the total volume of gas supplied to the Republic in 1994 (approx. 800 million cubic meters). It is partly explained by the fact that this year Armenia can not manage to pay off debts for gas supplies. Adonts refused to specify Armenia's debt for gas supplies, however, added that a figure of 26 million dollars published by Turkmen mass media is exagerrated.

Despite increase in gas supplies, energy production in Armenia has decreased. According to Adonts, it is explained by decrease in production of energy by hydro-power plants, and, in particular, by the fact that currently Gyumush Hydro-power plant damaged in flood is not operating.

In accordance with agreements signed last year Armenia is to receive 2.2 billion cubic meters of natural gas this year, whereas Georgia - 1.5 billion cubic meters.

Armenian Government's information service reports that as a result of negotiations two agreements have been signed. First - bilateral agreement between Turkmenistan and Armenia, under which Turkmenistan pledges to supply Armenia 6.5 cubic meters of gas by the end of 1995 provided Armenia carries out all payments in proper time. Up to present moment total volume of gas supplied to Armenia has not exceeded 4 million cubic meters.

The second tripartite agreement signed by Turkmenistan, Armenia and Georgia deals with ensuring of gas pipeline's safety.

National Assembly Leadership Profiled

954F2984A Yerevan RESPUBLIKA ARMENIYA in Russian 29 Jul 95 p 1

[Unattributed report]

[FBIS Translated Text]

Chairman of the Armenian National Assembly Babken Gurgenovich Ararktsyan

Born in Yerevan in 1944. In 1961 he entered Yerevan State University, then transferred to the Department of Mechanics and Mathematics of Moscow State University, where he completed studies in 1966. He continued his education as a graduate student at the Mathematics Institute of the USSR Academy of Sciences. In 1972 he was awarded the degree Candidate of Physics and Mathematical Sciences. In 1968 he started working at various institutions of the Armenian National Academy of Sciences, at the same time teaching at Yerevan State University. In 1977, as an instructor at Yerevan State University, he was awarded the title of docent. In 1986 he was selected head of the Department of Applied Mathematics. He is the author of more than 30 scientific works and textbooks.

In 1988, B. Ararktsyan became a member of the Karabakh Committee. Then following establishment of the AOD [Armenian Pannational Movement], he became a member of this movement's executive board. In 1990 he was elected deputy of the Supreme Council of the republic, then first deputy chairman of the Supreme Council. In December 1991 he was elected Supreme Council chairman. Since June 1995, he has been serving as chairman of the Parliamentary Assembly of the Black Sea Economic Community.

B. Ararktsyan has represented our country at a number of international parliamentary organizations—the Parliamentary Assembly of the Organization for Security and Cooperation in Europe, Interparliamentary Assembly of the CIS, Parliamentary Assembly of the Black Sea Economic Community, etc.

On 5 July 1995, he was elected deputy of the Armenian Republic National Assembly, and on 27 July—chairman of the National Assembly.

He is married and has three children.

Deputy Chairman of the National Assembly Karapet Rubenovich Rubinyan

Born in Yerevan 14 September 1957.

In 1974 he graduated from High School No. 28 imeni V. [word illegible].

In 1979 he completed studies at Yerevan Polytechnic Institute, obtaining the specialty of electrical engineer.

From 1979 through 1991 he worked at the scientific production association Armstanok, the [word illegible] branch of the All-Union Scientific Research Institute Standartelektro, the scientific production association Transistor, and then at the Computer Information Center.

Since 1990 he has been a member of the executive board of the Armenian Pannational Movement.

In 1990 he was elected deputy of the Armenian Republic Supreme Council, first convocation, and served in the Supreme Council's Standing Commission on Local Self-Government.

In January 1991, he was elected chairman of the Shengavitskiy Rayon Council of the city of Yerevan.

In June 1992, he was appointed deputy chairman of the Executive Committee of the Yerevan City Council.

In January 1993, he was appointed chief of the Control Service of the Armenian Republic President, by edict of the Armenian Republic president.

On 5 July 1995, he was elected deputy of the Armenian Republic National Assembly, and on 27 July—deputy chairman of the Armenian Republic National Assembly.

He is married and has two children.

Deputy Chairman of the National Assembly Ara Akopovich Saakyan[subhead]

Born in Yerevan in 1955.

He graduated from Yerevan High School No. 60 imeni V. Teryan. In 1978 he completed studies at the Philosophy Department of Yerevan State University.

In 1978-1980, he worked at the Foreign Language Institute imeni V. Bryusov, then in 1980-1988—at the main editorial office of Armenian Encyclopedia. In 1988-1990, he went to work at the Zooveterinary Institute.

In May 1990, he was elected deputy of the Armenian Republic Supreme Council, first convocation. In August of that year, he was elected secretary of the Supreme Council, and in April 1992 became first deputy chairman of the Supreme Council.

Since 1993 he has been a member of the AOD executive board.

On 5 July 1995, he was elected deputy of the Armenian Republic National Assembly, and on 27 July—deputy chairman of the National Assembly.

He is married and has two children.

Parliament. Day Two.

The chairmen of standing parliamentary commissions were elected at yesterday's session of the National Assembly. There are six such commissions according to the new Constitution. The following commission chairmen were elected:

Standing Commission on Science, Education, Culture, and Youth Affairs—Rafael Papayan.

Standing Commission on Social Issues, Public Health, and Ecology—Granush Akopyan.

Standing Commission on Foreign Relations—Onaves Igityan.

Standing Commission on Finance and Credit Matters, the Budget, and the Economy—Armen Yegiazaryan.

Standing Commission on Defense, National Security, and Internal Affairs—Samvel Gevorkyan.

Standing Commission on State Legal Issues—Eduard Yegoryan.

Biographies of Armenian Parliamentarians

NC0908082595 Yerevan NOYAN TAPAN in English 1009 GMT 8 Aug 95

["GOVERNMENT MEMBERS OF THE REPUBLIC OF ARMENIA"—NOYAN TAPAN headline]

[FBIS Transcribed Text] 08/08/95 NOYAN TAPAN

PRIME MINISTER GRANT ARARATI BAGRATYAN

Born to a construction worker on October 18 of 1958 in Yerevan.

In 1979 graduated with excellent grades from Yerevan's Institute of National Economy. From 1979 to 1981 served in Soviet Army. In 1987 finished graduate study at the Institute of Economy of Academy of Sciences and was granted a degree of Candidate of Economic Sciences. Worked at the same Institute first as a junior and then as a senior researcher.

In September of 1990 was appointed by Supreme Council of the Republic of Armenia to the position of First Secretary of the Council of Ministers and Chairman of State Committee of Economy.

In December of 1991 was appointed by presidential decree to the position of Vice-Prime Minister and Minister of Economy.

On February 12, 1993 was appointed by presidential decree to the position of Prime Minister.

Married, has one son. Member of Presidium of the Armenian All-National Movement. Speaks Armenian, Russian, German and English language.

MINISTER OF NATIONAL SECURITY SERZHIK AZATI SARGISYAN

Born on June 30, 1954 in Stepanakert, Mountainous Karabakh [MK]. In 1976 graduated from Department Philology of Yerevan State University. From 1975 to 1979 worked as a turner at Yerevan's Electro-Technical Plant.

From 1979 to 1988 worked in Komsomol and Communist party agencies of Mountainous Karabakh. Worked as First Secretary of Stepanakert city committee of Komsomol, managed departments of sports, defense and propaganda of Stepanakert city committee of the Communist party, then assisted First Secretary of regional MK committee.

From 1989 to August, 1993 worked as Chairman of Defense Committee of MKR [Mountainous Karabakh Republic].

In 1990 was elected deputy of Supreme Council.

In August, 1993 was appointed Minister of Defense.

From May, 1995 worked as Chief of State National Security Department. In 1994 was awarded medal "Combat Cross" of first magnitude.

Married, has two children.

MINISTER OF JUSTICE VAHE VARDANI STEPANYAN

Born in 1948 in Stepanakert. In 1972 graduated from Law Department of Yerevan State University. In 1972-73 served in the Soviet Army. In 1977 finished his graduate study at the Research Institute of Soviet Law of the Soviet Ministry of Justice. In 1988 finished his doctorate study. From 1977 to 1990 worked at the Institute of Philosophy and Law of the Academy of Sciences as a junior and then as a senior fellow researcher.

Minister of Justice since 1990.

Married, has one child.

MINISTER OF INDUSTRY ASHOT ANDRANIKI SAFARYAN

Born on September 20, 1945 in Yerevan. In 1971 graduated from a secondary school, in 1976 graduated from Yerevan's Polytechnical Institute with qualification of engineer.

In 1976-77 worked as engineer at Yerevan's Electro-Technical Plant.

In 1981 finished his graduate study at Moscow Scientific Research Institute and was awarded the Candidate degree. Worked at Yerevan's Polytechnical Institute as engineer, senior researcher, head of laboratory etc.

In November 1990 was appointed deputy chairman of State Economy Committee. Minister of Industry since December 1991.

In 1983-84 studied at Swiss Higher Technical School (Zurich), in 1990 - at the University of Carlsrue (Germany).

Author of 59 scientific works and 3 inventions.

Married, has two childrens.

MINISTER OF HEALTH CARE ARA SAYENI BABLOYAN

Born on May 5, 1947 in Yerevan to a doctor.

In 1965 graduated from secondary school No.76, in 1971 received Bachelor's degree from Pediatric Department of Yerevan Medical Institute. Worked as a urologist in the clinic No.8 and as children's surgeon in hospital No.1. In 1977 was awarded Candidate's degree. In 1987 earned Doctor's degree.

In 1990 founded Center of children's uro-neurology and surgery and directed it. Minister of Health Care since 1991. Professor of Yerevan Medical Institute and National Health Care Institute, member of Association of children's surgeon and urologists of Europe, Association of transplantologists of Europe, Association of neurologists of Switzerland and others. Author of above 80 scientific works and 10 inventions.

Married, has two children.

Besides Armenian and Russian languages also speaks French and English.

MINISTER OF TRADE, SERVICES AND TOURISM VAHAN MHERI MELKONYAN

Born on January 4, 1953 in the village of Mets Parni of Spitak region. In 1969 finished Yerevan's secondary school No.55, in 1975 graduated from Yerevan Agricultural Institute with qualification of engineer.

After graduating worked at Yeghvard complex as senior engineer. In 1976 was appointed chief engineer.

In 1977 with a delegation of young agricultural specialists was sent to the US. In 1977-80 worked as first secretary of Komsomol of Nairi region. In 1980 was elected deputy of Nairi regional council. In 1980-83 studied at the Economic Department of Union Academy of Foreign Trade.

From December, 1990 to December, 1991 worked at the position of General Director of Republican enterprise "Armagroservice".

Minister of Material Resources since December, 1991.

Candidate of Economy.

Married, has two children.

MINISTER OF FOREIGN AFFAIRS VAHAN HAKOBI PAPAZYAN

Born on January 29 in Yerevan. In 1979 graduated from Iranian Section of the Department of Eastern Studies of Yerevan State University. From 1980 to 1991 worked at the Institute of History of the Armenian Academy of Sciences.

In 1987 finished post-graduate study and was awarded the Candidate's degree.

Member of Presidium of Armenian All-National Movement since 1987.

Presidential Adviser from 1991 to 1992.

Acting Ambassador of Armenia to France from 1992 to 1993.

Minister of Foreign Affairs since 1992.

Married, has one child.

Besides Armenian and Russian also speaks Persian and English.

MINISTER OF ECOLOGY AND UNDERGROUND RESOURCES SUREN HRANDI AVETISYAN

Born on April 24, 1951 in Yerevan. In 1968 finished secondary school No.76, in 1973 graduated from Department of Bio-Chemistry of Yerevan State University.

In 1973 was employed by Institute of Bio-Chemistry of Academy of Sciences of Armenia. In 1986 finished his graduate study for Candidate's degree.

In March of 1990 was appointed deputy Minister of the Environment.

Married, has two children.

MINISTER OF AGRICULTURE ASHOT YERJANIKI VOSKANYAN

Born on May 20, 1953 in Yerevan. In 1975 graduated from Department of Economics of Yerevan Agricultural Institute. Continued study in Moscow at Agricultural Academy of Temiriazev. Worked at the Institute of Economy and Organization of Agriculture. Minister of Agriculture since 1993.

Candidate of Economics, author of scientific works on economics of agriculture.

Married, has two children.

MINISTER OF ECONOMY ANDRANIK SEREZHAI ANDREASYAN

Born on March 19, 1961 in Yerevan. In 1983 graduated from Yerevan's Polytechnical Institute with qualification of engineer.

In 1987 finished his graduate study and worked as an engineer for "Armelectromash" plant.

In 1991-92 was leading specialist of state committee of the Council of Ministers of Armenia for reformation of construction and house-maintenance spheres, in 1994 became Director of the department for city-building and the earthquake zone.

Married, has two children.

Besides Armenian and Russian languages also speaks English.

MINISTER OF ENERGY SYSTEM GAGIK HAMAYAKI MARTIROSYAN

Born on January 14, 1951 in the village of Gladzor of Yeghegnadzor region in peasant family.

In 1968 finished secondary school No.1 of Yeghegnadzor and was admitted to Yerevan's Polytechnical Institute. Successfully graduated from it in 1974 with qualification of engineer-constructor. From 1974 to 1979 worked in Yeghegnadzor trust company "Jermukstroy" first as master, than chief engineer, than as Director.

From 1990 to 1993 worked as Minister of Construction, from 1993 to 1995 as State Minister of Armenia.

Married, has two children.

MINISTER OF COMMUNICATIONS GRIGOR ASHOTI POGHPATYAN

Born on September 9, 1945 in Yerevan. In 1963 finished secondary school No.17 of Yerevan. In 1968 graduated from Department of Technical Cybernetics of Yerevan's Polytechnical Institute. Up to 1970 worked for the

Institute, from 1970 to 1982 as engineer for Scientific Research Institute.

From 1982 to 1991 worked as head of department and chief constructor of "Lazer technology" company.

In April of 1991 was appointed first deputy minister, in December of 1991 - Minister of Communication of Armenia.

Married, has three children.

MINISTER OF EDUCATION AND SCIENCE ARMENAK ROBERTI GHAZARYAN

Born on June 11, 1955 in Yerevan.

In 1978 graduated from Moscow State University of Lomonosov.

In 1984 received degree of Candidate of Physics and Mathematics.

From 1983 to 1993 worked at the Institute of Mathematics of State Academy of Sciences of the Republic of Armenia as fellow researcher.

In 1991-1992 - deputy chairman of expert commission of Ministry of Economy of Armenia, in January, 1992 - deputy Minister of Economy.

State Minister of Armenia since 1993.

Married, has two children.

Besides Armenian and Russian also speaks English.

MINISTER OF CULTURE FOR ISSUES OF YOUTH AND SPORTS HAKOB MOVSESI HAKOBYAN

Born on September 3, 1952 in the village of Tsakhkashen (now Sizavet) of Ashotsk region.

In 1969 finished secondary school No.1 of Hoktemberian (now Armavir), in 1973 graduated from Philological Department of Yerevan State Institute of Pedagogy. Up to 1978 worked as teacher of Armenian language and literature. In 1978-1991 - head of Poetry department, executive secretary and assistant editor of youth magazine "Garun" [Spring].

Minister of Culture since 1991.

Author of four poetry collections.

Married, has two children.

INTERIOR MINISTER VANO SMBATI SIRADEGHYAN

Born on November 13, 1946 in village of Koti of Noyemberian region. Finished a secondary school in Kokhbe. From 1966 to 1969 served in the army, in 1974 graduated from the Department of Journalism of Yerevan State University. Until 1988 worked in several periodicals. Author of three books. Member of "Karabakh" committee since 1988, Chairman of Presidium of Armenian All-National Movement, member of Supreme Council. Interior Minister since 1992.

Married, has five children.

MINISTER OF DEFENSE VAZGEN ZAVENI SARGISYAN

Born on March 5 of 1959 in village of Ararat of Ararat region. Finished a local school and continued his education at Yerevan Institute of Sports. From 1979 to 1983 worked as a teacher at his native school.

In 1983-1986 was secretary of Komsomol committee of Ararat "Cement" plant.

In 1990 was elected deputy of Supreme Council and Chairman of its commission for internal affairs and defense.

In 1992-1993 - Minister of Defense, since 1993 - State Minister of the Republic of Armenia.

Not married.

MINISTER OF SOCIAL SECURITY, POPULATION MIGRATION AND REFUGEE ISSUES RAFAYEL ANDRANIKI BAGOYAN

Born on March 25, 1948 in Baku. Graduated from secondary school No. 35 of Yerevan and continued education at Department of Architecture of Yerevan Polytechnical Institute.

From 1973 to 1991 worked at the Department of Architecture and Planning of Yerevan City Council as engineer, architect, chief engineer.

In 1991-1993 - Chairman of Orjonikidze district council of Yerevan.

State Minister of Armenia since 1993.

Married, has two children.

MINISTER OF INFORMATION HRACHYA HRANDI TAMRAZYAN

Born on December 5, 1953 in Yerevan. Finished secondary school of Krupskaya. In 1976 graduated from Philological Department of Yerevan State University.

From 1977 to 1988 worked for Matenadaran as fellow researcher.

In 1983 received degree of Candidate of Philology.

From 1988 to 1993 was Editor in Chief and then Director of "Nairi" publishing house. From 1993 to 1995 - head of department of publishing houses of the Armenian government.

Author of above ten poetry and scientific books, a number of articles.

Married, has three children.

MINISTER OF TRANSPORTATION AND COMMUNICATIONS HENRIK JUMSHUDI KOCHINYAN

Born on may 7, 1948 in village of Shnokh of Tumanian region in peasant family.

In 1966 finished a local school and continued his study at Yerevan's Polytechnical Institute.

From 1971 to 1974 worked at the Ministry of Automobile Transport in capacity of engineer-constructor. From 1974 to 1990 - assistant and then dean of Automobile Department of Yerevan's Polytechnical Institute.

In 1978 was awarded Candidate's degree in technical sciences.

Minister of Transport and Communications since October of 1990.

Married, has two children.

Besides Armenian and Russian also speaks German.

MINISTER OF TOWN-PLANNING FELIKS ASHOTI PIRUMYAN

Born on August 28, 1954 in Tbilisi, Georgia.

In 1976 graduated from Department of Architecture and Construction of Yerevan's Polytechnical Institute. Worked as engineer, chief engineer and director of the trust at "Armtransstroy"

Minister of construction since 1993.

Married, has one child.

Besides Armenian and Russian also speaks Georgian.

MINISTER OF FINANCES LEVON VLADIMIRI BARKHUDARYAN

Born on April 6, 1958 in Yerevan.

In 1957 finished secondary school No.118 of Yerevan.

In 1980 graduated from Department of Economic Cybernetics of Yerevan's Institute of Economy. In 1980-1982 served in the Soviet army. In 1985 finished his graduate study for Candidate's degree. From 1985 to 1990 worked at the Institute of Economy of the Academy of Sciences, from 1990 to 1992 worked at the State Committee of Economy, Minister of Economy since 1993.

Married, has two children.

HEAD OF DEPARTMENT - MINISTER OF DEPARTMENT FOR EMERGENCIES STEPAN SARGISI BADALYAN

Born on March 20, 1945 in Kirovakan [Vanadzor].

Graduated from Department of Applied Mathematics of Yerevan State University. From 1973 to 1990 worked at the Research Institute of Economy and Planning, first as junior, then as a senior researcher.

From 1984 to 1990 - head of department for special studies. At the same time finished highest central officer classes of civil defense of the USSR.

In 1990 was elected deputy of Supreme Council.

From 1991 to 1995 - head of State Department for emergencies.

Married, has two children.

Besides Armenian and Russian also speaks English and Czech.

HEAD OF DEPARTMENT - MINISTER OF DEPARTMENT OF STATISTICS, STATE REGISTER, AND ANALYSIS EDUARD HAMAYAKI AGHADJANOV [AGHAJANYAN]

Born on October 28, 1958 in Azery town of Kirovabad.

In 1969 finished secondary school No.11. In 1974 graduated from Department of Economy of Yerevan State University. From 1974 to 1977 worked at Abovian's plant "Izmeritel", from 1977 to 1979 at Charentsavan's plant "Cetrolit". From 1980 on worked at different scientific institutions.

In 1986 was awarded degree of Candidate of Economics. Worked as expert for the Supreme Council and the President.

Married, has two children.

HEAD OF TAXATION DEPARTMENT - MINISTER OF TAXATION PAVEL DANTONI SAFARYAN

Born on November 20, 1958 in village of Lusakunk of Vardenis region. In 1980 graduated from Yerevan's Institute of Economy.

In 1980 worked at the Institute of Economy of the Academy of Sciences as a researcher.

From 1980 to 1982 served in the Soviet army.

In 1989 finished graduate study for Candidate's degree. Worked at the committee for economic reforms of the Council of Ministers.

In 1991 was appointed assistant director of taxation service.

Married, has one child.

Besides Armenian and Russian also speaks English.

MINISTER FOR ISSUES OF REGIONAL GOVERNMENT RUBEN SERGEYI BARSEGHYAN

Born on February 11, 1957 in village of Agin of Ani region. In 1978 finished a local school and continued his education at the Department of Technical Cybernetics of Yerevan's Polytechnical Institute.

From 1978 to 1991 worked at Yerevan's research institute of applied mathematics.

Since 1991 worked at the State Department for Refugee issues as deputy head of the department.

Married, has three children.

SECRETARY-MINISTER OF THE GOVERNMENT SERGEY HENRIKI MANASARDYAN

Born on February 25, 1959 in Yerevan.

In 1976 finished secondary school No.8 of Yerevan. In 1981 graduated from Agricultural Institute of Armenia. In 1981 worked as engineer at the Institute for water problems. Candidate of technical sciences. From 1984 to 1989 worked at "Armeselkhozmekhanizatsia" as fellow researcher. From 1989 to 1990 - leading specialist of State Planning Agency of Armenia. From 1990-92 - leading specialist of Agricultural Department of State Committee for Economy, from 1992 to 1993 - assistant Vice-Prime Minister, from 1993 to 1994 - head of Vice-Prime Minister's staff. Governmental charge D'Affairs since 1994.

Married, has two children.

MINISTER FOR RELATIONS WITH NATIONAL ASSEMBLY ARSEN HRANDI KAMALYAN

Born on June 14, 1959 in Yerevan.

In 1976 finished secondary school of Dzerzhinsky and continued education at Department of Agricultural Mechanics of Yerevan's Agricultural Institute.

Worked as engineer-constructor and head of department at Massis Glavarmvodstroy plant.

In 1984 was employed by Balahovit's repair plant of Glavarmvodstroy. In 1989 finished management courses at Moscow Institute of Plekhanov.

In 1989 worked at executive committee of Lenin district council of Yerevan.

In 1991 worked at taxation service as head of department, deputy head of department etc.

Married, has two children.

MINISTER FOR ISSUES OF CIS, EUROPEAN UNION AND INTERNATIONAL ECONOMIC ORGANIZATIONS GAGIK MKRTICHI SHAHBAZYAN

Born on July 27 in Yerevan.

In 1977 graduated from Agricultural Institute of Armenia.

From 1977 to 1985 worked at "Armselkhozmekhanizatsia" of the Ministry of Agriculture. Candidate of technical sciences.

In 1989 - deputy head of department of scientific support of State Agricultural Department.

In 1991 was appointed state minister, in 1993 - Minister of Agriculture. State Minister since 1993.

Married, has one child.

Opposition Paper Views Ministerial Changes

954F2991A Yerevan GOLOS ARMENII in Russian 29 Jul 95 pp 1-2

[Article by Shamiram Agabekyan: "The Cabinet of Ministers Changes Portfolios"]

[FBIS Translated Text] As is known, two edicts of the president of the Republic of Armenia followed immediately after the appointment of Grant Bagratyan as prime minister: "On the Establishment of the Structure and Procedure of Activity of the Government" and "On the Appointment of Members of the Government of the Republic of Armenia."

What will our executive authority consist of henceforth? Both in its structure and in its functional duties the government's aim is to organize and coordinate a market economy: The system of state administrative organs has been simplified significantly; the number of ministries and departments of governmental subordination has been reduced, and spheres for which ministries are responsible have been consolidated and expanded. Thus, while the total number of government departments had reached 50, today there remain 20 ministries and three administrations that are equivalent to ministries: for extraordinary situations, for statistics, state registration, and analysis, and for tax inspection. The other organs of state administration, according to the edict, are supposed to be eliminated in the course of a month.

Naturally, there has also been a substantial reduction in the administrative apparatus, which grew quite a bit in the transition period.

The procedure of activity of the government is also maintained in a "market" spirit. There is an obvious decentralization of authority, and the government is released from trivial supervision of administrative elements, so that henceforth the prime minister will not have to complain about "routine work." Only fundamental problems that are subject to examination at Cabinet meetings will reach the prime minister.

In this connection, the "internal routine" of the government has been toughened significantly, the powers of the members of the Cabinet have been strictly regulated, their personal responsibility for the sphere they oversee has been increased, and administrative independence has grown.

Changes of this kind are good in themselves. But how appropriate are they under conditions when only elements of a market economy are introduced, but when, in fact, there is no market? On the one hand, the expansion of the departmental region of the ministry, and on the other hand, a weakening of the centralized administration of the economy, are capable of intensifying the chaos and anarchy even more, creating the basis for the unbridled theft of national property.

The new status of the government, in addition, strikes a discordant note with a number of provisions of the "adopted" Constitution. Thus, according to Article 86 of the Constitution of the Republic of Armenia, the president convenes and conducts meetings of the government. And the prime minister—only on the president's instructions. However, in the edict, which regulates the activity of the government, this function of the president refers to a category of exceptions.

The Constitution stipulates that the government is obliged to submit a program of activity to the NS [National Assembly], whereas the edict does not stipulate this anywhere and in any way.

The edict also does not reflect the constitutional requirement for the government to present the budget for examination by the NS no later than 60 days before the end of the budget year.

On the other hand, the Constitution (Article 55) invests the prime minister with the right to petition the president on an appointment to and discharge from the post of procurator of the republic, whereas there is not even a hint of this in the edict.

And neither by the Constitution nor by laws in effect is the prime minister restricted in the right to make appointments to and discharges from the posts of deputy ministers of defense, internal affairs, foreign affairs, and national security. But for some reason the edict attributes this right to the president of the Republic of Armenia, true, with a submission by the prime minister.

According to the edict, the institution of empowered representatives of the government in the regions and branches has finally been eliminated. The exception is the representative in the Central Bank and in international and interdepartmental structures. In this connection I think that the authorities must urgently think about the placement in a job of the not unknown Shagen Petrosyan!

Unfortunately, the edict does not specify the nature of government-local authority departmental relationships. In fact, a minister for regional administrative affairs was envisioned, and Rubik Barsegyan became the minister. But there is no comment on what the legal relationships will be between the territorial organs of state administration and the government. We will hope that the new law on the local organs of authority will introduce clarity into the powers of the marzpets....

As is known, the institution of state ministers has been abolished. On the other hand, the functions of advisers to the prime minister have gotten significantly "more important." Their role can be likened to the role of the former deputy chairmen of the Council of Ministers. However, the functions of the former Administration for Government Affairs, which regulated the work of the administrative-economic apparatus, has also become no less significant. Mr. Manaseryan, supervisor of affairs, has now become a minister-secretary, and routine work will be concentrated exactly in the hands of his staff: starting with complaints and letters from workers and ending with the preparation of governmental meetings....

I think that our readers are already familiar with the new and "old" ministers, as well as with the composition of the government. Of course, it is possible to argue about the feasibility of combining the functions of the former ministries and departments, as well as about the spheres of merger (ministry of culture, youth problems, and... sports, and the ministry of trade, services, and tourism...). However, obviously, it was not expediency that was taken into account, but something else.

While the arrangement of the new ministries indicates once more that Armenia will not in vain eat up the "Standby" credit issued by the IMF—the state machine is immediately adapting to the standards of management of a market economy—the distribution of ministerial portfolios graphically demonstrates: It is obvious, in the view of the authorities, that not all of the former workers appointed to administrative positions have justified being credited with the highest trust. Of the state ministers, almost all of them have been set up in jobs again: Vazgen Sarkisyan (minister of defense), Armenak Kazaryan (minister of education and science), Rafael Bagoyan (social security, employment, and refugee questions), Gagik Shakhbazyan (relations with the CIS, the European Union, and international economic organizations), and Gagik Martirosyan (minister of economic affairs). But, as we see, the former coordinator of the entire law enforcement system has been assigned a relatively modest role today. There are no explanations for this now; on the other hand, there are no longer positions that correspond to Sarkisyan's rank. However, something else is also interesting: Where would the state minister go, if David Shakhnazaryan is not retired?

To place another state minister in a job—Armenak Kazaryan—the AOD [Armenian Pannational Movement] sacrificed the unforgettable Bleyan and at the same time also Vardges Gnuni. This phenomenon is not understandable, at least because Bleyan left at the very height of the education reform, which was implemented according to his plan, but he succeeded, nonetheless, in confirming the new academic plan of the new national school. In behalf of Rafael Bagoyan, the authorities kept Ashot Yesayan and Vladimir Movsesyan out of the running and, it must be said, without any justification for this.

The fate of the two ministers Gagik Martirosyan and Gagik Shakhbazyan, quite to the contrary, is quite understandable: The first is a production worker who usually shoulders heavier loads, and the second, it is said, skillfully acquired credits abroad on fantastic terms.

The new ministerial portfolios also indicate that the authorities are invariably loyal to Ara Babloyan (minister of health), Levon Barkhudaryan (minister of finance), Vagan Melkonyan (former minister of material resources and now of trade, services, and tourism), Vage Stepanyan (minister of justice), Ashot Safaryan (minister of industry), Ashot Voskanyan (minister of agriculture and food), Grigoriy Pokhpatyan (minister of communications), Akop Movses (minister of culture), Vanik Siradegyan (minister of internal affairs), and Genrik Kochinyan (minister of transportation). With what did they impress the authorities?

One way or another, the authorities removed from the Cabinet of Ministers the very hardworking David Zadoyan, who in his time overcame a grain crisis that almost undermined the pillars of the state. On the other hand, Ashot Voskanyan, who did not distinguish himself by anything besides failure in agriculture, "survived."

There is literally nothing to say with respect to the other possessors of ministerial portfolios. The names of Andranik Andreasyan (minister of economic affairs), Arsen Kamalyan (minister of communication with the national assembly), and Rubik Barsegyan (minister of regional affairs administration) do not now mean anything to the public.

We will especially note the "departure" from the Cabinet of Armen Yegiazaryan, Bagratyan's reform brother-in-arms. It is inconceivable how our prime minister resigned himself to such a loss. Obviously, the former minister of economic affairs left for the NS on a special task, having headed a permanent commission on finance and the budget, to become Bagratyan's conductor of reforms in the NS.

All of these people will rule Armenia a whole five years. We will live and see what they create, or what a mess they make. Satisfied, educated, and intellectual, our Armenia today has become like an open-air bazaar. Will it remain this way, or will prosperity return?

NOYAN TAPAN Reviews Economic Developments

NC0808212095 Yerevan NOYAN TAPAN in English 0652 GMT 8 Aug 95

["Economic Review (July 31-August 6"—NOYAN TAPAN headline)]

[FBIS Transcribed Text] 08/08/95 NOYAN TAPAN — NATIONAL CURRENCY: Up and down vacillation of the dollar rate on currency markets of Yerevan gave way to steady and gradual downfall. However, we hardly can draw any analogies with the situation in Russia because there are no tangible reasons for dram rate to go up — neither stored gold or foreign currency reserves nor inflow of foreign investments.

During the week the buying price of 1 U.S. dollar fell from 418 to 410 drams, the selling price — from 426 to 418 drams yielding average price decrease of 1.9 percent. The average cost of 1,000 Russian rubles stayed at the level of 85 drams. Nevertheless, there is no doubt that the dram is gaining stability. From the time it was introduced into the circulation (November, 1993) to August, 1995 dram has undergone 30-fold devaluation against dollar (and 7-fold against ruble), but from May, 1994 to May, 1995 it has lost only 90 percent against dollar and gained 33 percent against Russian ruble. While for the first seven months of this year, dram quotation against dollar has grown by 2.5 percent, but fell by 11 percent as compared with Russian ruble.

The fall of the dollar rate may probably be explained by the unprecedented amount of dollars sold at the exchange a week before. We have previously reported that on July 23-20 Yerevan Stock Exchange sold 2,714 thousand U.S. dollars. This has evidently satiated the market with U.S. currency, because the last week did not yield even half of that amount sold — 1,269 thousands, out of which 161 thousand was sold at the Giumri-based exchange. And although the payment rate of the dollar has grown as compared with the previous week (unlike the rate of cash currency) from 409.72 to 410.16 drams, this rise is most likely to stop soon. While the rate of cash dollars is likely to go up.

The amount of Russian rubles sold at the exchange this week exceeded the amount of the previous week: 550 million against 390 million. The exchange rate rose insignificantly from 91.42 to 91.5 drams for 1,000 rubles. The fact that the exchange rate is much higher than the average price of cash ruble testifies to gradual forcing of Russian ruble out of cash circulation in Armenia. This is also supported by currency preferences which are noticeable by the afternoon of each day when foreign currency exchanges of Yerevan run out of rubles, while there are no time limits for dollar sales.

On the whole, the events of the last two weeks perfectly illustrate the mutual relationship between the markets of cash currency and the exchange, and the extent to which they both can be regulated by the Central Bank.

CREDIT MARKET: The unstable situation continues at the credit market which functions only on short-term credits. If on August 1 credits with term of repayment within 28 days were sold at an interest rate of 60 percent per year, only two days later they were sold at 74 percent. And on both days there was the same amount sold — 150 million drams.

On August 1, Central Bank held regular sales of credits which yielded the lowest interest rate for credits — only 4 percent per year. This became possible only due to the fact that as a security for this credit with term of repayment within 42 days Central Bank accepted state treasury bonds. According to the Central Bank's press-service, this concerns only bonds of last year's issue which are to be repaid on September 15. Altogether 10 million drams worth of credits were with this interest rate sold out of 30 million offered. This is probably an original "rehearsal" of wide-spread introduction of such sales. This may yield really low interest rates and longer-term credits.

It should pointed out that on Saturday before the week in question the Central Bank once again lowered the interest rate for refunding this time to 60 percent per year.

CONSUMER PRICES: The balance at the consumer market is reinforced not only by the seasonal factor which makes the prices for fruit and vegetable produce drop, but also by fall of prices for a number of imported products of crucial significance. Thus, the price of gasoline fell from 150 to 130 drams for liter or by 13 percent, that of sugar from 320 to 270 drams for kilo or by 15 percent. The prices of dairy products, meat and eggs did not change.

ENERGY: The week was marked with another energy shortage. This time it was caused by decreasing shipments of natural gas from Turkmenia. Although the negotiations waged by the Energy Ministry in Ashghabat were successful, two problems are still to be unraveled. The first is Armenia's debt to Turkmenistan for the gas, and the second is the problem of Armenia's northern neighbor who is even less solvent than Armenia but fully takes advantage of the fact that the gas is shipped to Armenia through his territory. The negotiations in Ashghabat were also attended by a Georgian delegation, however it failed to reach an agreement with Turkmenian partners. Because of this, Armenia had to agree to buy her gas at the border between Georgia and Russia and then solve the problems with Georgia herself. In some sense Armenia agreed to pay for gas consumed by Georgia.

Azerbaijan

Aliyev Interview Prior to Kazakhstan Visit

NC0808144995 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1250 GMT 8 Aug 95

[FBIS Translated Text] A delegation led by Azerbaijani President Geydar Aliyev left for the capital of Kazakhstan today. It will take part in a jubilee at the invitation of Kazakh President Nursultan Nazarbayev.

The Azerbaijani president was interviewed before he left.

[Begin recording] [reporter Seyyad Akhbabali] You will be vacationing in Kazakhstan. This is the true purpose of your visit. However, it is necessary to discuss important issues with [words indistinct] as one of the major countries in the region. Please comment.

[Aliyev] My visit is connected to the 150th jubilee of Aman Kumanbayev, the famous Kazakh poet and writer. He is a great personality to Turkic-speaking people. Therefore, Kazakhstan, within the UNESCO framework, is holding his jubilee at a high level. Because of the close friendship between Azerbaijan and Kazakhstan, I am going there at the invitation of Kazakh President Nazarbayev. I see this as an important visit because our peoples have deep historic ties and we must further these ties within the CIS. Culture and literature is important, and we have to take advantage of such opportunities. Aman Kumanbayev is a great personality to Turkic-speaking people, in Kazakhstan and Azerbaijan.

The presidents of other countries have also been invited. There could be talks. There could be bilateral talks with Kazakh leaders. This is an opportunity to develop our economic, cultural, and other relations. I am using this opportunity and I am going to Kazakhstan.

[Akhbabali] Some press interpret it as a consultative meeting on strategic issues between the leaders of the Turkic-speaking countries.

[Aliyev] As you know, not only Turkic-speaking countries are represented there. There will also be representatives from Russia and China. Naturally, all such gatherings provide the opportunity for consultations on various topics; however, it should not be seen as a specific gathering for consultations. It creates the opportunity to hold consultations and exchange views and clarify certain issues. We must take advantage of such opportunities to improve our foreign policy. [end recording]

Aliyev was seen off at Bina Airport by Supreme Soviet Chairman Rasul Guliyev; Prime Minister Fuad Guliyev; Ramiz Mehtiyev, head of the presidential executive staff; deputy chairmen of the Supreme Soviet; deputy prime ministers; ministers; and heads of committees and businesses.

Aliyev, Velayati Discuss Ties, Regional Issues

LD0908105195 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0930 GMT 9 Aug 95

[FBIS Translated Text] Mr. Velayati, our country's foreign minister, and Mr. Geydar Aliyev, president of the Republic of Azerbaijan, discussed bilateral relations and regional issues have also been discussed at a meeting they held.

At the meeting, which took place in Almaty, capital of Kazakhstan, the president of Azerbaijan spoke of the wise and principled stances of the Islamic Republic of Iran in the region and in international arenas and praised the role played by Iran in resolving the Karabakh crisis. He said: Baku is well aware of the politico-economic and strategic position of the Islamic Republic of Iran, and the policy of the government of Azerbaijan is to expand its ties with Iran.

He added: Iran was the first country to give official recognition to the Republic of Azerbaijan and we will never forget the assistance of the Islamic Republic of Iran.

Mr. Velayati, for his part, stressed the continuing support of the Islamic Republic of Iran for the newly independent countries, including the Republic of Azerbaijan, and said: We have always travelled the path of expanding our ties with the Republic of Azerbaijan and we believe that efforts by the government of the Republic of Azerbaijan to remove the existing obstacles impeding the expansion of ties play an important role in the process of cooperation between the two countries.

Mr. Velayati also referred to the almost unique extent of shared historical and cultural features between the Iranian and Azerbaijani nations and said: Any obstacle that weakens or undermines the relations between Iran and Azerbaijan must be done away with. Our country's foreign minister said: The Zionist regime is the sworn enemy of the Islamic ummah and it seriously strives against any solidarity between Islamic nations. The officials of the Republic of Azerbaijan must not allow Zionist agents to penetrate into the Caucasus region and endanger peace and security.

Foreign Minister Discusses Karabakh With Russian Envoy

NC0808182795 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 8 Aug 95

[FBIS Translated Text] The Foreign Ministry press service reports that Foreign Minister Gasan Gasanov received Aleksandr Blokhin, the Russian Ambassador to our country, today.

The expansion of political and economic cooperation and the promotion of bilateral ties between the two countries were discussed during the meeting. Gasan Gasanov and Aleksandr Blokhin examined ways of peacefully resolving the Armenian-Azerbaijani conflict and touched upon matters relating to Russian activities within the Minsk Group. Gasan Gasanov noted that the liberation of the Lachin and Shusha regions remains the basic problem at present in the talks.

Gasanov Says Kabul Wants Minsk Group To Remain

LD0808192295 Moscow ITAR-TASS in English 1845 GMT 8 Aug 95

[By Sevindzh Abdullayeva and Viktor Shulman]

[FBIS Transcribed Text] BAKU August 8 (ITAR-TASS) — Azerbaijan calls on all countries represented in the Minsk group on Nagorno-Karabakh to prevent the breakup of the group, Azerbaijani Foreign Minister Gasan Gasanov said today.

He did not specify who of the nine members of the peace group, which was set up by the Organisation for Security and Cooperation in Europe, wanted the breakup of the group.

Today Gasanov met Kemal Ayhan, Turkey's special envoy to the talks on settlement of the Azerbaijani-Armenian conflict, who came to Baku to attend political consultations with the Azerbaijani leadership.

Gasanov also said that Turkey, Russia and the United States should have a more active role in the Minsk group.

He said the peace process should continue within the frame of the group.

He added, however, that no breakthrough solutions were expectable from the group's meeting due to be held in Moscow on September 4-11.

Official Baku is not satisfied with the outcome of a regular round of Azerbaijani-Armenian talks which had finished a few days ago in Baden, Austria.

Azerbaijan's demand for "liberation of all the republic's (Azerbaijani) territories from the Armenian occupation", remains its stance, Gasanov said.

International law and experience of other states offer a broad room for compromises on other issues, he said.

Ayhan said Turkey sees as priorities for conflict settlement the liberation of Azerbaijan's lands seized by Nagorno-Karabakh forces and return of more than a million of refugees to those lands.

Turkey was and is urging for a peaceful resolution of these issues, Ayhan stressed.

According to independent sources in Baku, Ankara changed its approach to the peace process in that now it does not directly tie the settlement to its relations with Armenia.

Both Armenia and Azerbaijan have been showing interest in broader relations with Turkey.

Turkish Envoy Denies Bringing New Karabakh Proposals

NC0908041095 Baku TURAN in English 1403 GMT 8 Aug 95

[FBIS Transcribed Text] Baku/08.08.95/TURAN — "Turkey condemns the occupation of territories by force. We condemn the occupation of the territories of Azerbaijan as we used to condemn the occupation of Kuwait and Bosnia," TURAN was told by the representative of Turkey to the negotiations for the settlement of the Armenian-Azeri conflict Kemal Ayhan.

Ayhan refuted the information of some Armenian mass media that Turkey does not connect the normalisation of its relations with Armenia by unconditional liberation of the Azeri territories.

"Occupied Azeri territories must be liberated, million of refugees must return to their homes and that should be guaranteed. This is our principal position and we will not change it," Ayhan said. He noted that Turkey expects from Armenia taking of real steps which will make possible the restoration of peace in the region.

According to Turkish diplomat, if Armenia does not liberate the occupied territories it will face serious problems in the international arena. "Armenia have to return to its initial positions, otherwise there will not be any diplomatic relations with it," he noted.

At the same time Ayhan says that presently Armenia understands well that if it stops that conflict and liberates the occupied territories it will have great advantages. "In case of restoration of peace between Armenia and Azerbaijan the Caucasian region will flourish due to profit from extraction and transportation of Baku's oil," Ayhan said.

Kamal Ayhan said that the economic restoration of Caucasus meets the strategic interest of Russia. "Turkey is not going to leave Russia beyond the borders of the regional projects, its participation in the organisation of the Black Sea Economic Community makes possible involving Russia to that process," he noted.

Kamal Ayhan did not confirm the information distributed in the Turkish press about the separate talks between Armenia, Azerbaijan and Turkey on the settlement of the conflict.

According to Ayhan, he did not bring any proposals on the settlement the conflict. There will not be any proposals even during the meeting with the Armenian side. "Our objective is to become acquainted with the position of the authorities of Armenia and Azerbaijan," he said.

Today Kamal Ayhan is leaving Baku for Ankara due to operation on appendix. He is to visit Yerevan approximately in two weeks. Ayhan said that he was not going to visit Khankend [Stepanakert].

U.S. Ambassador on U.S. Concern at APF Banning

NC0808205895 Baku TURAN in English 1630 GMT 8 Aug 95

[FBIS Transcribed Text] Baku/08.08.95/TURAN — "State Department is concerned that the authorities of Azerbaijan refused to register the APF [Azerbaijan People's Front] as a party," U.S. Ambassador to Azerbaijan Richard Kauzlarich told today at the press-conference. He noted that the State Department of the U.S. believes that the authorities will re-consider that matter in the near future.

According to the U.S. ambassador creation of equal opportunities, registration of political parties, free use of mass media is one of the main conditions for fair and open elections. "The U.S. are ready to assist Azerbaijan in the deepening the processes of democratization of society," he said. The Ambassador underlined that the observers of international organisations which will arrive in Azerbaijan will determine if the elections are democratic.

"Representatives of Azeri authorities assured us that elections would be fair and free and that they were interested in participation of all parties in the elections," Kauzlarich said.

Concerning the Armenian-Azeri conflict Kauzlarich said that the U.S. supports the process of settlement of the conflict within the framework of the OSCE. According to the ambassador, the nomination of Joe Pressel by the President Clinton the negotiator for Karabakh will strengthen the role of the U.S. in soon restoration of peace in the region. The U.S. consider that the direct contacts and negotiations between Armenia and Azerbaijan would be more effective, Kauzlarich noted.

Speaking about the refusal of the U.S. Congress to decline the Amendment 907 to Freedom Support Act Kauzlarich said that "Congressmen consider that Azerbaijan must not block Armenia." He also said that during discussions on that matter they took into account the situation of democracy in Azerbaijan.

Speaking about the well-known plan of Goble on exchange of territories Kauzlarich noted that that option could be discussed only by the governments of Azerbaijan and Armenia. "If there is peace there will be no need to exchange territories for construction the pipeline. Without peace there cannot be a talk about the construction of pipeline through Armenia," he said.

Regarding the status of the Caspian Sea Kauzlarich said it was very important to resolve that matter with participation of all Caspian states. "However, this situation acquires international character and that is why it must be resolved with consideration of the international norms and international practice," Kauzlarich said.

Islamic Society Threatens To Boycott Elections

NC0908041195 Baku TURAN in English 1347 GMT 8 Aug 95

[FBIS Transcribed Text] Baku /08.08.95/ TURAN — "If the bill on elections discussed by the Milli Mejlis is adopted, we will call on all Muslim population of Azerbaijan to boycott elections", the statement of the society Islam Ittihad (Islam Unification) reads. The society considers the "authorities started attack on Islam".

The statement mentions the second point of the bill does not envisage for participation of the religious leaders in elections. This point brutally violates the rights of believers, because it allows the persons taking governmental posts to be elected to the Parliament, Islamists consider. "In such conditions it is not clear why the religious leaders cannot be the Deputies", the statement reads.

Islamists are deeply concerned over the fact that during many-day debates in the Parliament neither the members of Parliament, nor the representatives of the parties thought it possible to consider this issue. "This fact testifies to the level of democracy in the country".

If the current bill is adopted, the religious leaders will not have an assess to the Parliament. "Coming to power with revolutionary way will be legalized", Islamists say. Adoption of the bill will mean religious harassment of the considerable section of population of the country, "Islam-Ittihad" society considers.

"Islami-Ittihad" society functions since 1991. The society was registered by Azerbaijan's Ministry of Justice early 1995. Haji Azer Ramizoglu is the founder of the society.

Under the Charter, the purpose of the society is the propaganda of the Islam values in Azerbaijan. The Headquarters of the society — "Juma Mosque" [Friday Mosque] is located in "Icheri-sheher" [inner city].

Georgia

Security of Border With Armenia Weakened

MM0808130895 Moscow KRASNAYA ZVEZDA in Russian 8 Aug 95 p 2

[Report by Vladimir Mokhov of the Group of Russian Forces in the Transcaucasus: "Tree Felling Hits Border"]

[FBIS Translated Text] Tbilisi — Valeriy Chkheidze, commander of the Georgian Border Guard Troops, has expressed concern that the redeployment of the republic's main border guard troop forces to the border with Dagestan and Chechnya has resulted in a loss of control in other sectors. The commanding officer cited as an example the 5-km border zone with Armenia in Akhalkalakskiy Rayon. The neighboring republic's citizens are systematically felling trees here and taking them back to their territory. What is more, someone is mining this area. There have been cases of Georgian border guard troops being blown up by mines. The lone 12-man border post here is simply unable to control the situation.

Tbilisi Ready To Resume Talks With Abkhazia

LD0908113395 Moscow ITAR-TASS in English 1054 GMT 9 Aug 95

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] Moscow, August 9 (ITAR-TASS) — The Georgian side is ready to resume immediately the talks on settling the conflict with Abkhazia, the press service of the Georgian embassy in Moscow reported on Wednesday [9 August], referring to a statement by Georgian leader Eduard Shevardnadze in reply to an address by the Russian Foreign Ministry.

The press service specified that the Georgian chief executive instructed his personal representative Vazha Lordkipanidze, Georgian ambassador to Russia, to continue the talks. In turn, the latter stated his readiness to start immediately the talks.

The last stage of the Georgian-Abkhazian talks was held in Moscow late in July with Russia's mediation. The sides discussed a draft agreement proposed by the Russian side, which provides for overcoming the conflict politically.

Abkhazia Says Allegations Against Nadareishvili Illegal

LD0808151495 Tbilisi IPRINDA in Russian 1422 GMT 8 Aug 95

[FBIS Translated Text] Tbilisi, 8 Aug — On 8 August the Supreme Council and the Council of Ministers of the Autonomous Republic of Abkhazia circulated a statement saying that the Russian mass media had circulated information that the so-called prosecutor's office of the self-proclaimed republic of Abkhazia had instituted criminal proceedings against Tamaz Nadareishvili, the deputy prime minister of Georgia and the chairman of the Supreme Council of the Autonomous Republic of Abkhazia. In connection with this, the Supreme Council and the Council of Ministers of Abkhazia declare that all decisions made by Ardzinba's government are illegal and do not have judicial force.

Shevardnadze on Draft Constitution Issues

LD0808175595 Tbilisi CONTACT INFORMATION AGENCY in Russian 1502 GMT 8 Aug 95

[FBIS Translated Text] [no dateline as received] Today's session of the Georgian parliament was to be a conclusive one in the discussion of the key problems of a new draft constitution of Georgia, according to the resolution adopted by the deputies.

The evening session started to discuss the key issue — the clause dealing with a whole range of authorities, the rights and functions of the president, the vice president, and the country's cabinet of ministers. Georgian Head of State Eduard Shevardnadze familiarized the deputies with the above.

Clarifying the essence of the issue under discussion, Eduard Shevardnadze stressed that the presented option, taking into consideration a number of amendments and suggestions, includes a whole range of significant factors, such as reasonable harmony between the president's authority and parliament. During the transitional period of authority, the managing system has been simplified and the vacuum, which used to exist in it, has been eradicated. Parliament is to be entrusted with resolving all of the key issues of the state.

The head of state drew attention to the fact that the suggested option of the draft constitution ruled out the possibility of taking any kind of extraordinary measures, such as disbanding parliament, putting a vote of no confidence in general, and in the cabinet of ministers in particular.

Shevardnadze expressed the view that the norms of relations between the bodies of the country's leadership laid down in the clauses carry a vivid character of stability, as the president's rights are to a certain extent limited by parliament and the authority given to it. In the meantime, the president retains a certain mechanism of influence on parliament, in particular the right to a veto.

Eduard Shevardnadze expressed confidence that if parliament in principle agrees to the presented draft, this will speed up the process of adopting the constitution, which will help the process of leading the republic out of the general crisis.

Shevardnadze suggested discussion of the draft in factions together with the conciliation commission so that the issue can be resolved at the evening session.

Article Views Prospects of New Left-Wing Bloc

AU0408173895 Tbilisi THE GEORGIAN TIMES in Georgian 26 Jul-2 Aug 95 p 2

[Report by Eliso Chaipdze: "Impeachment Before Checkmate"]

[FBIS Translated Text] One of the important events in Georgian political life last week was the "marriage" of six parties.

This time, the initiator of the unification of these forces is Irakli Tsereteli, leader of the National-Independence Party [NIP], who has invited parties with a certain influence and potential into the new bloc "Independent Georgia." Against the background of on-going consultations, the association has not yet assumed a clear form. Irakli Tsereteli and Temur Zhorzholiani [chairman of the Monarchist-Conservative Party] hold comparatively coordinated positions and have a common aim. As regards the Merab Kostava Society, the Ilia Chavchavadze Society, the Social-Democratic Party, the Christian-Democratic Party, and "Archevnebi" [Elections society], there exists a certain lack of understanding among them. It is difficult to imagine that similarly radically-oriented political and economic forces are able to create a monolithic association and draw up a common preelection program or that the electorate will respond with confidence to this multifarious bloc.

The Constitution proposed by the head of state and the image of a two-chamber Parliament have become the officially recognized reason for the formation of the association. One assumes that Irakli Tsereteli's increased activity during this intensely hot summer can be explained by his desire to secure his own seat in the future Parliament. Against this background, the confrontation between the head of state and the radicals has become more acute. The latter openly stated at a press conference in Parliament that it was necessary to raise the question of Shevardnadze's impeachment. In their statement, they said that Shevardnadze had violated constitutional norms, lost Abkhazia, and sidestepped Parliament, dividing Georgia up into territories [mkhareebad] and introducing the institution of plenipotentiary-governor.

What aim does this "whirlwind" of new accusations leveled against Shevardnadze serve and what configuration of forces can it result in? It is unrealistic to think that, in Georgia where there is no Constitutional Court, the serious raising of such a question can bring any result. It is doubtful that, in a rule-of-law state, any political force existing in Georgia today would seek an explanation of the legal system from the court. At any rate, the leaders of many large or small parties have a sufficient number of sins stemming from both the political struggle and machinations connected with credits from the National Bank. True, it is possible to raise the question of Shevardnadze's impeachment in accordance with the Law on State Power, but the 45 votes necessary for this cannot be seen yet. Consultations on the coordination of positions are in progress. Irakli Tsereteli is ready to cooperate with both the Communists and the Republicans at the same time, but, nevertheless, his main partner is "Archevnebi" and [its founder] Jaba Ioseliani, a "marriage" of convenience with whom will give the NIP leader a serious chance of victory in the future elections. The position adopted by "Archevnebi" in this game is most unclear: They support this association in raising the question of Shevardnadze's impeachment but shy away when it comes to talking about a preelection bloc. At the present stage, an alliance between an organization with "Archevnebi's" image and Irakli Tsereteli's so-called street opposition could bring undesirable results for those gathering around Jaba Ioseliani as they are trying to strengthen their own forces through a union with the intellectual elite within "Archevnebi."

Such a grouping of forces has not caused great concern among other politicians. One part of [Shevardnadze's] Citizens' Union and the majority has stated openly and with a certain lack of concern that this association of minor parties represents their preelection death throes and nothing more. Another part, however, explains Irakli Tsereteli's political game as an attempt to wreck the election campaign and can see the danger of a new civil war.

The main force supporting Shevardnadze, whose principal aim is the struggle to strengthen its own position in the political elite, has not tried to find a common language with the radicals. However, it is not excluded that the radicals themselves will support the head of state in the struggle for presidential rule and a two-chamber Parliament if Shevardnadze finds seats for them in one of the two chambers. Let us recall that Shevardnadze's current fierce opponents, in their time, saw him as their only savior while Temur Zhorzholiani, who went on a lengthy hunger strike to force Shevardnadze to resign, secured his seat in Parliament with the "Mshvidoba" [Peace] bloc.

In the view of one part of the Republicans, the force uniting around Irakli Tsereteli is seeking to establish a common position. They believe it is possible to cooperate with this force, but without any kind of "crossbreeding." However, the NIP leader would like to feel and hope to a certain extent that the hidden discord among the Republicans will give him a chance to strengthen his own association and that such a prominent political force as the "Charter-91" group and [its leader] Tedo Paatashvili can be "drawn" into his own camp. However, the Republicans' external solidity and their serious prospects of success in the elections are likely to deprive him of this slim hope.

The position of the NIP leader is also weakened by the head of state's "reconciliation" with one part of the opposition, which was confirmed during the debates concerning the Constitution. Of the 63 votes garnered, five belonged to representatives of the Union of Traditionalists; without these votes, the draft Constitution could not have been adopted.

So, the newly created political association, which has not assumed a definite form yet, is doomed to a short existence. In the event that Tsereteli plans to erect barricades on Rustaveli [Prospekt, main thoroughfare in Tbilisi where similar barricades were erected prior to the fall of ex-President Gamsakhurdia] and wreck the elections, Tbilisi Police Chief Demur Mikadze will seek the parliamentarian out and seriously threaten to charge him on 14 counts. To this one can add the political apathy of the population that views the political games with a certain degree of cynicism and is more concerned with social problems than preelection battles.

Postscript: On 24 July, at a news conference held in Parliament on the initiative of [Parliament Deputy] Nestan Kirtadze, the republic's deputy prosecutor general Anzor Baluashvili stated that criminal proceeding had been initiated against deputies Irakli Tsereteli and Temur Zhorzholiani and, as soon as their immunity as deputies is lifted, they will be brought to account.

Estonia

Cabinet Approves National Defense Policy Guidelines

LD0808195595 Moscow INTERFAX in English 1758 GMT 8 Aug 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov and Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] The Estonian Cabinet has discussed and of approved national defence policy guidelines.

Defence Minister Andrus Oovel has said in an interview that the Estonian military doctrine relies on two basic principles: the defence forces must be able to prevent an armed attack with their strength and mobilization readiness and to have the necessary potential to fight against any armed violence threatening national security and integrity.

The armed forces are also called to help government organizations in conducting search and rescue operations, eliminating the effects of natural calamities and industrial disasters, Oovel said.

He said the Estonian armed forces would cooperate with NATO, the West European Union and other organizations in maintaining stability in Europe. Oovel said that their material, technical and information base and logistics must meet NATO standards.

Oovel said that up to 6 percent of the Estonian budget would be spent on defence, including the 135 million kroons to back up Estonia's international commitments, such as participation in peace-keeping operations and the implementation of NATO's partnership for peace program.

The Estonian defence forces have 3,500 officers and men. Another 7,000 are affiliated with the voluntary paramilitary organization Kaitseliit.

Defence Minister Oovel said that in drafting Estonian national defence policy guidelines the Russian military and political doctrine and the likely effects of changes in the military and political situation in Russia for Estonian security were studied.

He said that in drafting its military doctrine Estonia enjoyed assistance from Nordic countries and an international group of military advisers, primarily retired NATO generals.

More on Cabinet Meeting Decisions

WS0908090095 Tallinn ETA in English 0631 GMT 9 Aug 95

[From the 9 August EESTI SONUMID; "News Bulletin" No. 159]

[FBIS Transcribed Text] Yesterday's government session discussed the support to regional development and business and decided to change the principles of extending support. The previous system has determined certain priorities and formed particular funds for financing these directions. Vahi explained that the government plans to form one regional development fund and to determine programmes and criteria for extending support. He enumerated regional policy, agricultural policy, export, small business and private home building as directions needing government aid. The government intends to finance programmes rather than funds, the premier stressed. The Finance Ministry is to formulate the criteria of the funds within a month. There are currently operating Rural Life Crediting Fund, Small Business Crediting Fund, Private Home Fund and Estonian Export Crediting Fund.

The government decided to reorganise the Estonian News Agency (ETA) as a state-owned company. The state will be the sole shareowner. Current status of ETA is open, as the statute of 1986 was invalidated early this year. A government decision on the determination of the status of the agency was made as early as on July 2, 1993, but it has not been realised since. However, Economy Minister Liina Tonisson did not rule out future privatisation.

The government plans to reduce significantly the number of boards and departments (presently 37, plus 11 ministries). Governing the state should become "more rational", Vahi said, recommending that the number of boards and departments be cut to 17. No final decision has been made as yet.

The government also discussed the war against poppy farmers and made two conclusions: The Estonian laws are inadequate and the country is not prepared to handle a number of affairs. The cabinet heard the reports of the interior and agriculture ministers and Premier Vahi claimed the ministers to be cooperating efficiently. The Agriculture Ministry is to study the practice of regulation of poppy farming in Europe and to take over their principles; the interior minister was instructed to do the same in his sphere of activities, i.e. security measures meant to prevent access of drug addicts to poppy fields. The police has been instructed not to destroy any more fields for the time being.

The Defence Ministry submitted the concept of national defence to the government. Minister Andrus Oovel presented the draft and explained the principles recommended by the ministry, Defence Forces and Defence League experts, who prepared the draft concept.

Poppy Field Destruction Leads to Rift in Government

WS0908085995 Tallinn ETA in English
1655 GMT 8 Aug 95

["News Release"]

[FBIS Transcribed Text] Both Interior Minister and Agriculture Minister presented their standpoints to the government on the incident of the poppy field destruction of July 31, Prime Minister Tiit Vahi told a press conference on Tuesday [8 August] adding that the positions were not entirely disagreeing.

Vahi said that the government had asked Agriculture Minister Ilmar Mandmets to acquire information on the matter from the European Union states where poppy is grown as an agricultural product and introduce those principles in Estonia. Interior Minister Edgar Savisaar got a task from the government to take also EU experience as an example and bring over to Estonia security measures to avoid usage of poppies among drug addicts.

The case with the poppy field indicated primarily that there are still gaps in Estonian legislation, Vahi said.

"It is regrettable that some officials of the Police Department, even after they had been told that their activity in destroying the poppy field was not in accordance with Estonian legislation, still said that they will continue destroying poppy fields," Vahi said. "It still has been decided that no unauthorized destruction will take place and that destroying can only take place on the decision of an administrative court," Vahi said.

On July 31 police destroyed a poppy field at Viljandi county, claiming the poppies to contain a high level of narcotic substances, while the farmer had permission of Agriculture Minister Ilmar Mandmets to grow poppies and the seeds had been acquired from the Agriculture Ministry. An expert of the Agriculture Ministry has said the poppies on that field were not opium plants but oil poppies and allowed by Estonian laws.

Owner of the field has sued the police in court saying his losses were 80,000-120,000 kroons.

Seized Radium-226 Bound for Finland

WS0808131495 Tallinn BNS in English
1203 GMT 8 Aug 95

[FBIS Transcribed Text] Tallinn, Aug 8, BNS — The 1.7 kilograms of radium 226 the Estonian security police seized in Tallinn in July was smuggled into Estonia and was apparently bound for Finland, a police spokeswoman told BNS Tuesday [8 August].

The two men the police arrested in connection with the case were only middlemen, she said. The sellers and possible buyers of the substance have not been established yet. Security police have information the tracks of the group of radioactive material smugglers lead to St. Petersburg.

Police arrested two men identified as Vladimir G., 48, and Rein P., 42, July 24 after they found 1,720 grams of radium 226 in their car.

Latvia

Protest Lodged With Poland Over Bus Attack

LD0708191895 Riga Radio Riga Network in Latvian
1601 GMT 7 Aug 95

[FBIS Translated Text] The Latvian Embassy in Poland has submitted a note to the Polish Government in connection with a bandit attack on an Estonian scheduled bus with Latvian, Estonian, and German citizens on board.

On the night of 6 August not far from the Polish town of Ostrow Mazowiecka, north of Warsaw, bandits dressed in police uniforms stopped the bus and threatened the driver with a firearm. They ordered him to drive into the forest. There were 47 passengers on board the bus and valuables worth $3,000 in total were taken from them. The victims reported the incident to the Ostrow Mazowiecka Police Station and continued their journey after drawing up a report. A criminal investigation was started in connection with the incident.

Approximately one week ago, the Estonian Embassy submitted a note to the Polish Government in connection with a similar bandit attack on a scheduled Estonian bus.

Debate Postponed on Sending Peacekeepers to Croatia

LD0908084795 Riga Radio Riga Network in Latvian
0800 GMT 9 Aug 95

[FBIS Translated Excerpt] As has already been reported, responding to a call by Prime Minister Maris Gailis, the Saeima today postponed for a week the consideration of a draft resolution on the sending of a Latvian peacekeeping unit on a peace mission to Croatia. The prime minister has got in touch with the Danish Foreign Ministry and found out that hostilities in the areas where the Danish peacekeeping forces are stationed have now ended. However, the situation is not yet clear. [passage omitted]

There would be not more than 40 military personnel in the Latvian national unit of the Armed Forces in the peacekeeping battalion of the Kingdom of Denmark. The Latvian soldiers would differ from the Danes by having different shoulder-straps, which would have a picture of the Latvian flag on them. Latvia's costs of this action would total about 250,000 lats in soldiers' wages. A soldier's average wages would be 400 lats a month. The United Nations is ready to reimburse these costs within two years. Denmark for its part would pay costs related to transportation from Denmark to Croatia and back.

Lithuania

Military Cooperation Pact Signed With Norway

WS0908093695 Vilnius ELTA in English 1623 GMT 8 Aug 95

[From "News Bulletin" No. 816]

[FBIS Transcribed Text] Vilnius, August 8, ELTA — On Tuesday [8 August] Norwegian Defence Minister Jorgen Kosmo on a visit to Lithuania signed the military agreement "On contacts and co-operation in the defence sphere" with his Lithuanian counterpart Linas Linkevicius.

After arriving in Lithuania Minister Jorgen Kosmo and his delegation went to the TV tower in Vilnius and put flowers at the memorial to Lithuanian freedom fighters.

After that the guests from Norway had a meeting with Lithuanian Defence Minister Linas Linkevicius, leaders of different departments of the Defence and Foreign Ministries, commanders of the General Staff and the Navy.

Then the above mentioned agreement was signed.

In the afternoon Minister Jorgen Kosmo met with Seimas deputy Chairman Aloyzas Sakalas and members of the National security and Foreign affairs committees.

Premier: U.S. Lithuanians Less Hostile Toward Vilnius

LD0908111395

[FBIS Editorial Report] Vilnius Radio Vilnius Network in Lithuanian at 0730 GMT on 9 August broadcasts a 12-minute live radio interview with Lithuanian Prime Minister Adolfas Slezevicius, who spent his annual leave in Chicago, Illinois, and believes that American Lithuanians are becoming less hostile toward the government of the Lithuanian Democratic Labor Party.

"Our compatriots [in America] are genuinely concerned about various aspects of Lithuania's political and economic life and this concern is understandable. I also understand a certain critical attitude toward the shortcomings of our lives, such as crime, corruption, or difficulties [that the American Lithuanians face] in regaining their citizenship. Of course, we must be responding to such remarks.

"But I would like to say that the overall opinion of emigrant Lithuanians is changing. They tend to realize better and better that building, or should I say, rebuilding the state, which is currently under way, is not a very easy task to complete," Slezevicius said.

In his interview, the prime minister also spoke about agricultural matters and this year's harvest in Lithuania.

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